

# *The* NATIONAL UNDERWRITER



## *Where are you on the map?*



A glance at this map shows clearly how the North America Companies back up their Agents in the field. For no matter where you are, you'll find a North America Service Office within reasonable distance.

As an Agent of one of the North America Companies, you can get fast decisions and technical assistance on all insurance matters . . . simply by contacting your nearby Service Office.

There are forty-six of these Service Offices, located in the principal marketing centers of the United States and Canada. They supply independent producers with localized service, claim facilities, and "on the spot" Head Office aid whenever needed.

Establishment of these Service Offices demonstrates North America's support of the American Agency System, which has continued since North America appointed its first Agent in 1807.



INSURANCE COMPANY OF  
**NORTH AMERICA**  
COMPANIES, *Philadelphia*

*Insurance Company of North America, founded 1792 in Independence Hall, is the oldest American stock fire and marine insurance company. It heads the "North America" companies which meet the public demand for practically all types of Fire, Marine and Casualty insurance, Fidelity and Surety Bonds. Sold only through Agents or Brokers.*

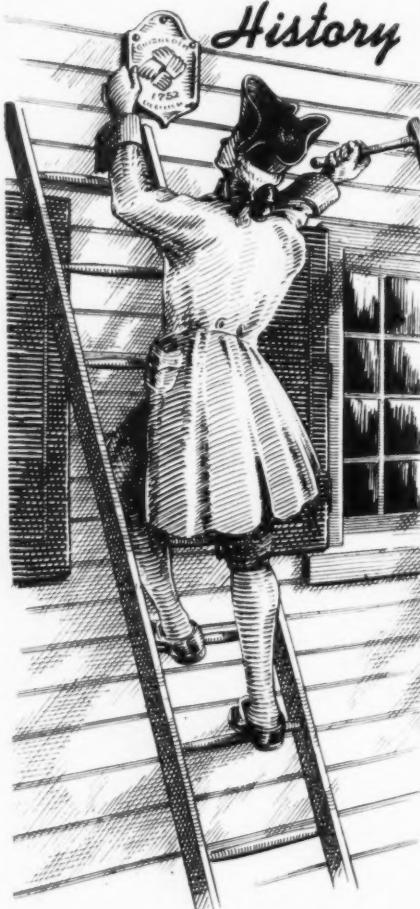
**Insurance Company of North America  
Indemnity Insurance Company of North America  
Philadelphia Fire and Marine Insurance Company**

**THURSDAY, NOVEMBER 30, 1950**

## HIGHLIGHTS In Insurance

**FIREMARKS...** In the early days of fire insurance, each insured was given a metal or wooden plaque with the insurance company's seal thereon to be nailed in a conspicuous spot on the front of his building to show that the house was insured. Each fire insurance company had its own fire department and when several of these brigades would arrive at the scene of a fire, the brigade whose company's sign was on the property would try to save what had not as yet burned. The other brigades would stand around and watch!

*The National Union and Birmingham Fire Insurance Companies stress the need of fire preventive measures, but should a loss occur, they are noted for their prompt and just settlement of claims.*



### NATIONAL UNION and BIRMINGHAM

FIRE INSURANCE COMPANIES

PITTSBURGH



PENNSYLVANIA

1910

1950

## FORTY YEARS

of factual appraisal service to  
America's more conservative business institutions



IMPARTIAL VALUATIONS

of

INDUSTRIAL and COMMERCIAL  
PROPERTY

DISTRICT OFFICES IN ALL PRINCIPAL CITIES



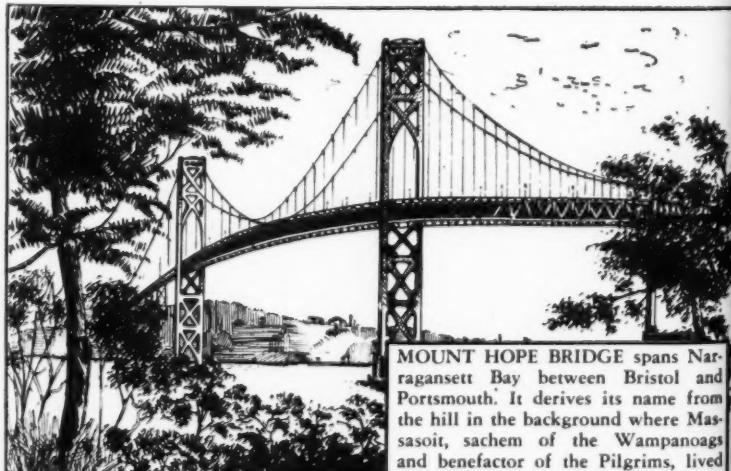
THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in May and June) by the National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U.S.A. 64th year, No. 48, Thursday, November 30, 1950, \$6.00 a year (Canada \$7.00, Foreign \$7.50), 25 cents per copy. Entered as second-class matter April 25, 1931, at the post office

## significant "Quotes"

In 1930, the company published a booklet commemorating its 5th birthday. Here is an excerpt from that 20-year-old booklet:

"This office does not have dealings of any nature with any mutual, reciprocal or other form of non-stock insurance company because such companies are operated 'direct' and every piece of business they get deprives some local agent of a commission."

### • STILL HOLDING TO THE SAME PRINCIPLES!



MOUNT HOPE BRIDGE spans Narragansett Bay between Bristol and Portsmouth. It derives its name from the hill in the background where Massasoit, sachem of the Wampanoags and benefactor of the Pilgrims, lived at peace with the white men. There his son, King Philip, fell after waging war against his father's friends.

For more than a century, the Pawtucket Mutual Fire Insurance Company has been faithful to its friends, the policyholders, by providing continuous dividend payments and prompt loss settlements. The picture on this advertisement and others in the series will be used on the 1951 desk calendar, copy of which may be obtained by writing to the address below.



INCORPORATED 1848

PAWTUCKET MUTUAL  
FIRE INSURANCE COMPANY  
26 MAPLE STREET, PAWTUCKET, RHODE ISLAND

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# Insurance Loss in Eastern Storm Reaches Monumental Proportions

## National Board Disaster Group Goes into Action

### Most Violent Blow in History of Northeastern U. S.

NEW YORK—The storm that battered the east from Boston to Baltimore and from the coast westward to Ohio over last weekend will result in one of the largest total insurance losses from a single catastrophe. Preliminary estimates range from 100,000 to 500,000 losses. Another guess is "more than 250,000." No one has ventured a guess as to the dollars it will cost insurers, but the figure of \$50 million is spoken of as a possible minimum.

The area of the storm, which blew at close to hurricane force, 75 miles an hour, for many hours, and at points reached much higher velocities, was tremendous. Maryland was hard hit. New Jersey was battered perhaps worst of all. Metropolitan New York may produce 150,000 claims alone. Connecticut was hammered badly with Stamford and Bridgeport hit hard. The damage appears to be lighter in Rhode Island and tapers off somewhat in Massachusetts and northward. New York state was hard hit, as was Pennsylvania.

Because telephones have been or still are out of order and hundreds of thousands of homes have been or still are without utility services, reports of damage may be slow in getting to agents, companies and adjusters. Those making preliminary estimates found that the Monday score was being revised sharply upward on Tuesday.

#### G.A.B. Goes Into Action

General Adjustment Bureau estimated that the storm would result in 100,000 claims for that organization but declined to hazard a guess as to whether this might be half the total. It was bringing in adjusters from over the country, wherever it could get hold of them, and dispersing them to areas where they were most needed. Some of its offices early estimated 10,000 claims or more.

Early in the week some of the companies were directing agents to settle all losses up to \$100, going to a higher figure with those agencies equipped to do a good job on adjustments. A plan was being outlined Tuesday to go on the air over one or two New York radio stations, at least, to explain the size of the task facing insurers, advising insured to report losses to their agents, explaining what the various policies covered and did not cover, pointing out the need and authority to make temporary repairs, etc. The companies were much impressed with results from the quiz type program used in the Florida hurricane area. This, it was felt, would answer a lot of insured's questions with which they were clogging company, agency and adjusting switchboards.

Many offices were simply swamped by phone calls.

Many adjusters are still committed to the Florida hurricane situation. This, plus the breadth of the storm area, hampered the operation of the National Board catastrophe plan. There was no immediate area in which adjustment facilities could be concentrated.

As claims poured in there were few who did not agree that losses would exceed the storms of 1938 and 1944. The 1950 blow was over a much greater area. The single element of inflation would serve to double the cost of repairs and labor. In addition, a far greater number of homes and buildings have extended coverage than in the earlier storms. Extended coverage was originally developed in the early 1930's but it is in the post-war years that it has reached its greatest popularity.

The storm in the middle Atlantic and New England states developed winds of almost hurricane velocity, with gusts up to 110 miles per hour. It was the most violent storm in the northeastern United States ever recorded by the Weather Bureau. It swept on a north-easterly course through New Jersey, Maryland and Pennsylvania on Saturday and blew itself out over Maine Sunday evening taking a belt about 100 miles inland but missing Cape Cod.

The disaster committee of National Board met immediately Monday in an all-day session and before the day was over it had practically concluded that the storm would be one of the worst in recent insurance history. The committee was adjourned to Tuesday morning session and went back to work then.

General Adjustment Bureau was opening 32 special offices and putting on between 350 and 400 men to handle losses.

The National Assn. of Independent Adjusters notified members by formal letter Tuesday that there would be a call for all available adjusters.

#### Huge Loss on Antennae

The storm swept through sections near most of the large eastern cities with large television audiences and thousands of antennae were blown down. These will come under extended coverage and will represent a source of numerous claims which did not exist during the former hurricanes.

In one Brooklyn apartment alone more than two dozen television antennae were blown off the top of a building. In other areas of the city damage was not that bad. A number of accidents occurred when amateur repairmen climbed roofs to attempt to restore service and continue set enjoyment over the Thanksgiving weekend.

Television service organizations were swamped with calls from customers whose aerials had been bent, broken or otherwise damaged. Dealers estimated that it would be a week before service could be given to holders of service contracts and that people without these contracts would be waiting even longer to get their sets back in order. Except in a few cases the service contracts do not provide for the repair of damage resulting from storms and other acts of God. Payment for the damage will advert to the insurers where there is coverage.

The New York Better Business Bureau estimated that 50% of the 2,800,000 television aerials in the metropolitan area had been damaged.

There is an agreement among companies that on a television antenna

(CONTINUED ON PAGE 22)

## J. M. Haines Retiring as U. S. Chief of Phoenix-London Group

H. Lloyd Jones to  
Take Over Top Post  
with All Companies Dec. 31

NEW YORK—James M. Haines, chief executive in the United States for Phoenix-London group since 1935, and with the organization since 1907, will retire Dec. 31. H. Lloyd Jones



James M. Haines



H. Lloyd Jones

will succeed him as U. S. manager and attorney of Phoenix Assurance, London Guarantee and Union Marine & General and as president of Phoenix Indemnity, Imperial Assurance, Columbia of New York and United Firemen's. Mr. Jones has been deputy U. S. manager and executive vice-president of the domestic companies. John R. Robinson, assistant U. S. manager and vice-president, succeeds Mr. Jones.

E. B. Ferguson, general manager of the Phoenix companies, London, was in New York to make the announcement and to attend a dinner honoring Mr. Haines. This was attended by 200 members of the staff. G. J. Thomas, foreign accident manager, and C. N. Knight, assistant investment manager, both of the head office at London, and Ralph M. Sketch, manager in Canada, attended, along with Mr. Ferguson.

#### Haines Started in 1907

Mr. Haines joined London Guarantee in 1907 in Chicago as a clerk. He occupied various positions and then became superintendent of agencies in 1920, assistant U. S. manager in 1923, and U. S. manager in 1929.

Mr. Haines is recognized as an authority in automobile liability and workers' compensation. He was closely associated with the early development of those lines and his ideas and ability were felt in company councils in the formative years of the lines and their coverages. He has served on numerous committees of National Bureau of Casualty Underwriters. For years he was chairman of the national agency committee of the casualty acquisition cost conference and a governor and trustee of Workmen's Compensation Reinsurance Bureau. He is now chairman of the latter organization.

He was president of Assn. of Casualty & Surety Companies 1938-1941, head of International Assn. of Casualty & Surety Underwriters 1938-39, and served two terms as president of National Board, 1947 and 1948. He is a director of General Adjustment Bureau.

He will continue on the boards of

(CONTINUED ON PAGE 9)

# Farm Property Fire Forms Revisions Are Approved in 5 States

## Consolidation of Cover on Machinery, Vehicles, Tools, Etc., Is Biggest Change

Extensive revisions to farm property fire forms have been recommended by members of Farm Underwriters Assn. and submitted through Western Actuarial Bureau to the rating bureaus in the midwestern states. Approval of the changes has been granted so far in Missouri, Iowa, Kentucky, Oklahoma and Indiana, and if adopted by all of the 17 midwestern states will eliminate the necessity for special forms for Oklahoma, Kansas, Kentucky and Tennessee. This will make the farm property forms standard in all midwestern states except Minnesota and Wisconsin.

### Combine Machinery, Tool, Items

The most important change is the one combining items 17, 19 and 23 into a single item (19) which insures "machinery, vehicles, implements, tools, supplies and equipment of all kinds, usual and incidental to the operation of a farm, while on or temporarily removed from the premises." Items 17, 19 and 23 in the old forms separately insured farm vehicles not operated by automotive power; shredding, picking, cutting, shelling, and grinding machinery; electric motors, milking machines and kerosene engines; and materials.

The new item 19 is not intended to cover any property named in any other item or items specifically. It specifically excludes farm products, incubators, brooders, crop dryers, fences, windmills, wind chargers and their towers, radio and television towers and antennae, automobiles, trucks, motorcycles, watercraft, aircraft and their engines, tires and parts, threshing machines, forage harvesters, potato diggers, peanut diggers and pickers, cotton pickers, portable power saws, manufactured gas, gasoline and their containers.

Other changes include the phrase in the item covering household and personal effects reading "warranted by the insured" to read "agreed by the insured."

Items 3 to 15 have been revised and rearranged, but there is no change in the intent. The difference here is that of producing clarity.

Reference to inclusion of foundations and permanent fixtures which formerly applied to some building items but not to all, has been placed under a note at the bottom of the form and now will apply to all building items.

Items 24, 25 and 27 have been added covering corn pickers, hay balers, and private power and light poles.

The paragraph referring to windstorm and hail exclusion has been revised and now specifically excludes radio and television towers and antennae (except on dwellings).

### Work and Materials Clause

The work and materials clause has been revised and prohibits the use of heaters of every description, including electric light bulbs or other portable heating devices used as brooders for poultry or swine, and also does not permit the use of incubators having a capacity of more than 2,000 eggs (formerly 1,000) in any insured building or in any building containing property insured under the policy unless permission is granted by specific endorsement and an additional premium charged.

The extended coverage endorsement apportionment clause has been revised

by the introduction by the so-called "joint loss" principle which is coming into general use and applies to those losses which may be covered by different types of contracts. A war risk exclusion clause has been added and is considered necessary in view of present world conditions.

The windstorm and hail exclusion of liability for loss of livestock and poultry being blown into streams or ditches or against fences or other objects has been eliminated, as has the inclusion for loss to metal smokestacks.

The windstorm and hail conditions now specifically exclude liability for damage to radio and television towers and antennae, except on dwellings.

### Cancellation Issue Won by Insurer on Appeal

The U. S. 7th court of appeals in Murray Bernard Industries, Inc. vs. East & West, has affirmed the judgment of the lower court favorable to the insurer.

In September, 1946, Bernard contracted for the manufacture of three separate items of furniture at factories at Cleveland, Holland, Ind., and Rockford, Ill. Murray Bernard, president, got in touch with Jacobs, his insurance broker, who had his office with the Meeker-Magner Co. agency at Chicago, and asked for insurance of \$10,000 on property located at Cleveland, \$7,000 at Holland and \$10,000 at Rockford. Jacobs turned the order over to Meeker-Magner, and the latter was able to complete only one-half the order, all with California Ins. Co. The balance of the order was forwarded to the Don R. Jensen agency which, in turn, sent it to McGowan agency. The latter wrote the desired policies and the one in question is that covering the property at Rockford.

### Insured Never Got Policy

When the McGowan agency received the policy, it delivered it to the Jensen agency, then the latter delivered it to Meeker-Magner, Oct. 17, 1946. On Oct. 17, East & West decided it had all the insurance it wanted to handle on the Rockford location and telephoned the McGowan agency and the next day sent a letter asking that the Rockford policy be taken up for cancellation. On Oct. 18 the McGowan agency made a similar verbal request to Jensen and the latter passed the request on to Meeker-Magner, which at that time still had possession of the contract.

Meeker-Magner surrendered the policy to Jensen which in turn surrendered it to McGowan and the policy was then delivered back to East & West and was stamped "cancelled." Neither the insured nor Jacobs had any knowledge that East & West had issued the policy. A premium was never paid on it. On March 13, 1947, the Rockford plant and contents were entirely destroyed by fire.

Bernard argued that when East & West executed the Rockford policy and delivered it to the McGowan agency it became a binding policy which could only be cancelled by the five days' written notice prescribed in the policy. It was contended that the McGowan agency was a sub-agent of Jacobs but that Jacobs as well as the other agencies involved were agents only to procure insurance and not to surrender a policy for cancellation.

On this point the court of appeals said that Bernard incorrectly assumed that the contract could be cancelled only by the prescribed five days' written notice. As in other contracts it could also have been cancelled by mutual consent.

Bernard's position is untenable, for it seeks to recover on a policy that was never delivered to the insured or its broker, that neither the insured nor broker ever knew existed until after the date of the fire and upon which no premium had been paid or tendered. Also this company seeks to recover on the policy in spite of the positive

# Los Angeles Schedule for Commissioners Is Given

NEW ORLEANS—The daily detail of committee meetings and subjects to be discussed at the convention of National Assn. of Insurance Commissioners at the Biltmore hotel, Los Angeles, is released by Commissioner Martin of Louisiana who is chairman of the N.A.I.C. executive committee.

The program except for matters exclusively of interest to life insurance follows:

### Sunday, Dec. 10

11 a. m.—Sub-committee to study the question of reinsurance, chairman, Downey, California. Committee report of June 15, 1950 (including technicians report).

4 p. m.—Executive committee, chairman, Martin, Louisiana.

—Central office committee report, chairman, Day, Illinois. Proposed method of execution of contracts relative to contributions to assistant secretary's office. Consideration of proposal that publications and releases of N.A.I.C. be put on subscription basis in order to make assistant secretary's office self-supporting. Salary and expense allowance of assistant secretary.

—Assistant secretary's report, N.A.I.C. semi-monthly calendar. Coordination of zone meetings.

—Report of sub-committee to study reinsurance, chairman, Downey.

—Proposal of zone 1 that the rates and rating committee or appropriate committee be authorized and directed to make a study of the advisability and practicability of all rating plans proposed for filing with the several states be first processed through a committee of N.A.I.C. and develop method of financing the same.

—Invitations for future meetings, Chicago (Palmer House or Stevens Hotel); French Lick Springs Hotel, Indiana; Monterrey, Mexico; New York (Hotel Commodore and Hotel New Yorker); Puerto Rico.

### Monday, Dec. 11

9 a. m.—Sub-committee insurance in connection with installation sales, chairman, Larson, Florida.

9 a. m.—Laws and legislation committee, Butler, Texas. Report of sub-committee on uniform qualification and licensing laws. Resolution adopted by commissioners of zone 4 with regard to uniform deposit law and regulations. Uniform code.

10:30 a. m.—Plenary session.

12:30 p. m.—Passé Club luncheon.

3 p. m.—Accident and health committee, chairman, Knowlton, New Hampshire. Report of sub-committee on minimum requirements, benefits and fair trade practices; definition of group A & H insurance; national accounts of Blue Cross-Blue Shield; Blue Cross problems with reference to the need of further supervisory legislation and rate making problems.

3 p. m.—Sub-committee deferred premium payments on fire insurance policies, chairman, Edwin Larson, Florida. Consideration of report held over from Quebec.

6 p. m.—President's reception.

### Tuesday, Dec. 12

9 a. m.—Examinations committee, chairman, Bowles, Virginia.

9 a. m.—Rates and rating organizations committee, chairman, Harrington, Massachusetts.

—Consideration of amendments to Escott plan offered by T. D. McCarl at Chicago.

—Consideration of matters pertaining to the underwriting of deductible coverage for fire and allied lines.

—Consideration of necessary amendments to the statistical plan for fire and allied lines catastrophe experience on deductible and catastrophe hazards.

—Consideration of ways and means of securing prompt consideration of multiple line coverage and rating plans by rating bureaus. Cooperation between rating bureaus with overlapping or conflicting jurisdiction. National rating bureau for multiple line writing.

11 a. m.—Federal legislation committee, chairman, Harrington, Massachusetts.

11 a. m.—Casualty and surety committee, chairman, Crichton, West Virginia.

instructions of its president to Mr. Jacobs that it did not want any policy of insurance on its property located at Rockford. That such was its conclusion is shown by the fact that Bernard turned back for cancellation the valid policy for \$5,000 which had been issued by California Ins. Co.

The court stated that by its acts the insured waived the contract provision for a written notice of cancellation.

Samuel Levin of Chicago was attorney for East & West.

2 p. m.—Workmen's compensation committee, chairman, Larson, Florida. Profit and contingency factors; form and contents, rate filings; expense graduation by size of risk; valuation, law amendments.

2 p. m.—Blanks committee, chairman, Robinson, Ohio.

2 p. m.—Definition and interpretation of underwriting powers, chairman, Leile, Pennsylvania. Receipt of industry committee's report.

6 p. m.—Pamunkey tribe pow-wow.

### Wednesday, Dec. 13

9 a. m.—Social security committee, chairman, Hanley, Maryland. Report of industry committee.

11 a. m.—Plenary session.

2 p. m.—Sub-committee 1921 standard profit formula, chairman, Bohliger, New York. Investment income.

3 p. m.—Interstate cooperation or compact committee, chairman, Stone, Nebraska. Requirements of state statutes for deposits of securities for benefit of special classes of policyholders. Report of sub-committee of all industry committee. Reciprocal licensing between states.

### Thursday, Dec. 14

9 a. m.—Fire and marine committee, chairman, White, Mississippi.

—Breakdown of permissible expense ratio on fire and physical damage coverage.

—Multiple writing bureau.

—Package policies where coverages are under jurisdiction of several bureaus.

—Annual renewal plan for fire coverage.

—Appointment of committee to study possibility of rate making for fire and auto physical damage coverage on pure premium basis.

—Consideration of change in National Board statistical plan to include reporting of liability in force.

—Consideration of F.I.A.

9 a. m.—Fire prevention and safety committee, chairman, Dravey, Georgia. City officials responsibility to secure passage of local city ordinances on fire prevention and fire protection measures. Fire prevention education a must. State wide fire drills. Local agents responsible to inspect and appraise insurance properties. Better trained fire insurance adjusters a company responsibility. Fire prevention in connection with national civil defense program.

9 a. m.—Rates and rating organizations committee, chairman, Harrington, Massachusetts.

10 a. m.—Uniform accounting committee, chairman, Forbes, Michigan. Report of sub-committee.

10 a. m.—Unauthorized insurance committee, chairman, Stone, Nebraska. Report of sub-committee of all-industry committee on unauthorized insurance process act. Report of sub-committee of N.A.I.C. on proposed legislation governing false advertising by non-admitted carriers.

3 p. m.—Plenary session.

7 p. m.—Banquet.

## Lester Barrett May Be New Maryland Commissioner

Lester L. Barrett, Baltimore attorney who resides at Lansdowne, has been mentioned as possible choice of Governor-elect McKeldin for appointment as Maryland insurance commissioner to replace Claude L. Hanley.

Mr. Barrett was unsuccessful Republican candidate for state senator for Baltimore county and he is a close friend of McKeldin. They once occupied the same law offices at Baltimore. He was regarded as the top candidate of the Republican party for county office. He has a law degree from University of Maryland and is a former member of the board of supervisors of elections of Baltimore county.

## Warns on Unauthorized Insurers

The Louisiana department has sent out a circular to reach as many citizens as possible warning of the activities of unlicensed insurers.

The circular, signed by Commissioner Wade Martin, Jr., points out that the department has no authority to prohibit insurance solicitation through the mails, and calls attention to the fact that the department does not supervise insurance companies not authorized in the state. Mr. Martin suggests that when a citizen is solicited to purchase insurance in an unauthorized company that he have the agent produce a license showing that he is designated to solicit for that company.

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## Mass. OK's North America Plan

North America has received permission from Massachusetts to deviate from rules of New England Fire Insurance Rating Assn. with respect to the installment premium endorsement.

New England Fire Insurance Rating Bureau has asked Commissioner Harrington to reverse the decision of his deputy approving the installment payment of premium plans of North America and Liberty Mutual. The rulings conflict with the rating association manual rule 52, by which advance premium payments are required.

The decision approving the application of North America was issued by Deputy Commissioner T. H. O'Connell, acting for the Massachusetts insurance department, Nov. 22.

The Massachusetts decision follows hearings April 13, 16 and 26 in which opposition to the North America plan was expressed by N.E.F.I.R.A., Massachusetts Assn. of Insurance Agents and Corroon & Reynolds.

Deputy Commissioner T. H. O'Connell held to be invalid rule 52 of New England manual, making all premiums due and payable on the day that the insurance takes effect. He concluded this was not a rating rule and was, therefore, invalid.

"The statute does not authorize any encroachment by a rating organization into the internal management of a company, which is exactly what Rule No. 52 presumes to do," he stated. "The method of premium collection is a matter of company policy, to be determined by a responsible company officer . . . nowhere in the statute is there any authority for a rating organization to impose any rule on its members and subscribers which has the effect of inserting the rating organization into some feature of the internal management of a company, even though the rating organization may believe that the rule will promote the general good conduct of the business."

The decision also holds that the additional charge made by North America for the cost of deferring collection of the premiums and for providing automatic reinstatement, an increase of 3% in the term premium, includes an allowance for the cost of automatic reinstatement after loss and that no competent evidence was introduced that showed the rates charged to be excessive, inadequate or unfairly discriminatory.

On the question of discrimination, the deputy commissioner took the position that if the endorsement is discriminatory, it is only because the term rule makes it so and is discriminatory only if the term rule is held to be discriminatory.

North America was represented in the action by John C. Phillips, assistant counsel, and Edward O. Proctor, Boston lawyer.

## Weatherly Named Resident Manager at Atlanta of National Underwriter Co.

Carl E. Weatherly, Jr., has been appointed resident manager of The National Underwriter Company at Atlanta, with business supervision over six southeastern states. He succeeds Ernest E. Hess, who has been with The National Underwriter Company since 1929, and for the past eight years southeastern manager. Mr. Hess will announce a new connection in the near future, one not involving traveling.

Carl Weatherly has had a 10-year life insurance selling experience, nine years with National Life & Accident at Atlanta and Birmingham, and about a year with Gulf Life at Jacksonville. Mr. Weatherly will continue with office headquarters at 432 Hurt building, Atlanta.

## Ogilvie Gives Message to Farm Examiners

Speaking before a meeting of Farm Examiners Club of Chicago, K. S. Ogilvie, assistant manager of Western Underwriters Assn. and secretary of Farm Underwriters Assn., urged that each contribute toward good public relations by being ever-ready to remind his neighbor of the importance of insurance to the well-being of our economic system. He spoke of the bright future of the industry and stressed the desirability of steering youth into the business, and in this connection discussing the scholarship program offered by W.U.A.

## Self-Insurance Plan Failure

KNOXVILLE, TENN.—In the face of the destruction by fire of Gibbs school building, with loss estimated at \$500,000, Knox county school board officials have publicly admitted the failure of a "self-insurance" plan adopted some years ago. The insurance fund, to which is being added \$10,000 annually, now contains only \$87,141 against the \$500,000 loss. The city of Knoxville carries stock company cover, prorating the total among members of the Knoxville Exchange.

## Puerto Rico Liability Issue Unresolved

The main losses in the recent Puerto Rican disturbance, concerning which the question of insurance liability has arisen, occurred in the town of Jayuya, which is in the central part of the island and has a population of about 5,000 including the country neighbors. It is claimed that physical damages due to fire have been suffered by some property owners. The total amount insured is \$88,000 distributed among Sun and Home, which are represented by Victor Braegger & Co. of San Juan, and Great American, Liverpool & London & Globe, and St. Paul F. & M., represented by Compañía Carrión of San Juan. The approximate estimated losses amount to \$43,000.

It is said that an independent adjuster for the insurers conducted an investigation and inspection of the properties without assuming any liability whatsoever and before this was done a non-waiver agreement was obtained to that effect from all insured.

There exists a difference of opinion as to the heading under which these losses fall. The predominating opinion is that this was an armed rebellion against the

legally constituted government of Puerto Rico. Some share this interpretation of the disturbances in view of the fact that it was only by fortune that the authorities became aware before the date for which they were planned.

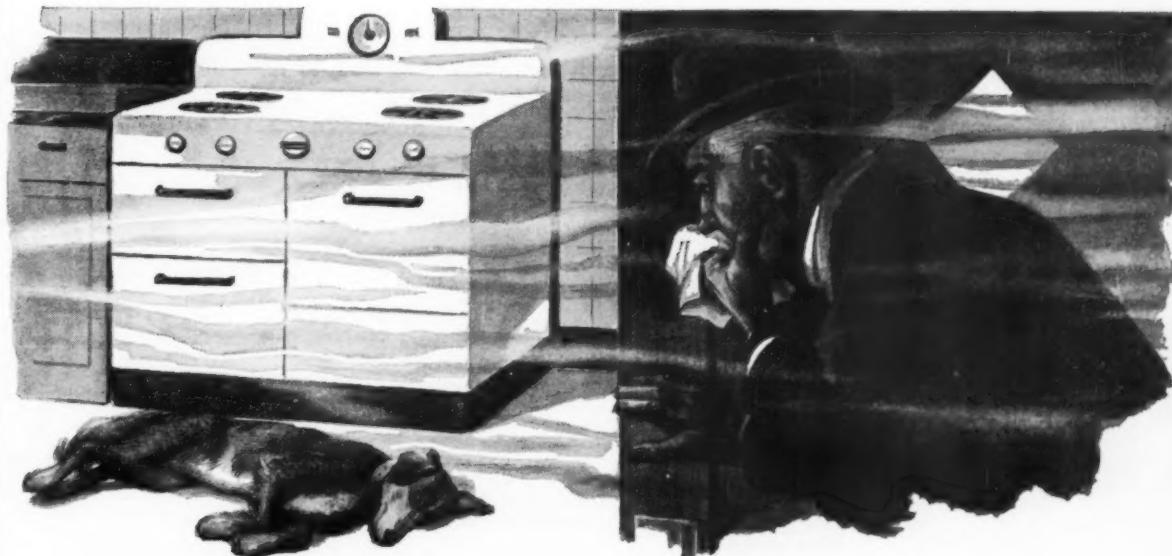
Most of the policyholders accept that companies are not liable inasmuch as they know that their contracts are not endorsed with riot and civil commotion protection. Nevertheless, they hope to collect part, if not all, of the damages as an *ex gratia* payment.

Under local law 53 of 1948, acts of violence to overthrow the legally constituted government became a felony. These are the charges against all nationalist party leaders. However, the constitutionality of the law has been questioned and at this time the supreme court has not rendered an opinion.

## Surplus Line Assn. to Elect

Surplus Line Assn. of Utah will hold its annual meeting Dec. 8 at Salt Lake City. A banquet will follow. Frank Salisbury, manager of Kolob Corp., is the present chairman of the association.

L. L. Edwards of McCollister & Co., Seattle general agents, has been confined to Doctors hospital following a recent heart attack.



## THERE'S TROUBLE IN THE AIR...

And your answer would be very important to the storekeeper who says—

"As the owner of a retail home appliance store I sell and install a gas-operated kitchen stove. After the sale is completed and the stove is installed, the purchaser returns from a social evening to find his prize dog asphyxiated because of a faulty connection in the stove. Would my

Storekeeper's Liability policy protect me if the dog owner makes claim for damages?"

Of course it would! No it wouldn't! And, if it doesn't, what policy does? This is a "toughie" so don't be too quick with your answer. You might be wrong! The answer to the quoted question is contained in the Group's current issue of "True or False." Your copy is available on request to our Advertising Department.

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## Mo. Agents Reelect Geo. Oppenheimer

**Oppose Disturbing  
Relations with Companies  
on Commission Issue**

EXCELSIOR SPRINGS, MO.—George Oppenheimer of Kansas City was reelected president of Missouri Assn. of Insurance Agents at its annual meeting here. John J. O'Toole, St. Louis was elected chairman of the executive committee; James Corrigan, Poplar Bluff, first vice-president; Joe Jackson, Jr., Maryville, second vice-president; George S. Beimdiel, Carthage, third vice-president; Edmund J. Boyce, St. Louis, reelected secretary. William Dunham was elected state national director. There were 250 in attendance. A resolution was adopted stating that it is the opinion of the Missouri agents that the relation of agents to their companies is that of private contract and it is therefore urged that the uniform commission committee shall not disturb such relations.

### Summarizes Bureau Operations

The principal operations of the Missouri Inspection Bureau were summarized by its manager, W. C. Anderson. He pointed out that great strides have been made in the bureau's public relations program, the object of which is to show that the present method of insuring, based on the cooperation of all elements of the business, is the best.

While trying to educate the public on the merits of the present system of insurance and the fundamental structure on which it is based, Mr. Anderson said, "there still exists, even within our own ranks, a disturbing amount of insurance illiteracy." There is a lack of understanding of what part the various elements within the business play in the conduct and operation of the business. "As a result of not appreciating what the problems are that confront

the various elements in the business, there is some lack of team work and cooperation which is essential if we are to keep our business strong and enhance its position in the eyes of the public," Mr. Anderson emphasized.

The companies, the agents and the bureaus if they are to continue in business must serve the insuring public well, Mr. Anderson declared. "We are challenged by those who think our entire system of insurance is wrong," Mr. Anderson said. "We are challenged by those who, while admitting that the private institution of property damage insurance is fundamentally correct in its inception, believe the machinery in use has become outmoded and should somehow be put aside and some revolutionary substitute installed in its place." His answer to this is serving the public so well that progress will be made along evolutionary lines rather than along revolutionary lines.

### Explains Social Security Changes

The amendments to the social security act adopted this year directly affect the insurance agent, both as an employee and as a self-employed individual probably more than any other occupational class, Hugh P. McTernan, Kansas City manager of the social security administration, said in his talk.

Insurance agents operating as sole owners or as members of a partnership will need social security numbers. The self-employment report will be in the form of a supplemental attachment to the federal income tax report and will show the amount of net self-employment income up to a maximum of \$3,600. The agent will pay a social security tax at a rate of 2 1/4% when the income tax return is sent to the government. The employment eligibility for the agents will start Jan. 1, 1951.



Geo. Oppenheimer

### Little Rock Women Stage Revue

At its bosses' night with 120 in attendance, Little Rock Assn. of Insurance Women staged a 30-minute revue entitled "Durable Women Are Here to Stay."

A series of skits, appropriately costumed, showed the insurance woman of 1900, the first world war years, the "roaring 20s," the greater interest in insurance education in the 1930s, and on down to the insurance woman of 1950. The women have been invited to stage the show next Monday at the mid-year meeting of Arkansas Assn. of Insurance Agents.



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## Fire Stocks Get Bumped By Storm and War News

NEW YORK—Fire insurer stocks were marked down Monday morning all through the list as a result of the weekend storm and the prospective heavy losses that will fall on insurers. Phoenix of Hartford which had been very strong the week before dropped \$3, and others were somewhat weaker. Dealers lowered their offers and were reluctant to take offerings even at the reduced price. Only a nominal amount changed hands.

It is interesting to note that the fire stocks generally were very strong the previous week. It had been apparent that the companies were going to have a good year—a number of companies had declared extra dividends or were planning to do so. There had been cost of living bonuses and salary increases for key personnel, etc.

The Monday drop may have been accounted for in part by profit taking. This, according to observers, was especially true of the Phoenix stock.

On Tuesday there was little or no trading at all in the fire insurance items. The general market, reacting to the war news with its implication of higher and higher taxes, also went off sharply.

### Nashville Agency's Ad on Thanksgiving Makes Hit

The Davis, Bradford & Corson agency of Nashville printed a Thanksgiving editorial in the Nashville "Tennessean" and Nashville "Banner" that has attracted much favorable comment.

Captioned "Thanksgiving 1950" and showing a likeness of the obverse of the Great Seal of the U. S. the text is:

"We now observe our most significant national holiday.

"The reverse of the Great Seal of the United States, seen above, carries the Thanksgiving Day message in brief, but in full: 'Annuit Coeptis' ('He has favored our undertakings.') Indeed, He most graciously has done so.

"'MDCCCLXXVI—Novus Ordo Seculorum' ('1776—A New Order of the Ages.') In 1776, a new order proclaimed for the first time government's true relation to the inviolable dignity of the individual.

"In the spirit of Thanksgiving day we may and do express our thanks to our fellow citizens for their great goodness of heart, and for the respect shown by each for the selfrespect of the other.

"And most especially of all our countrymen, to those valiant men and boys, largely mere boys, around the world, whose bodies, living or broken, have formed in this year our outermost ramparts against diabolical tyranny, we, presently safe, send our inadequate and humble gratitude."

### Young Elected President

Berkshire County (Mass.) Assn. of Insurance Agents has elected Robert Young, Pittsfield, president, succeeding Edward A. French, North Adams. The new vice-president is Harry Pierpan of North Adams. Marshall L. Barnard, Lee, is secretary.

### Discuss Annual Statement

Columbus Insurance Accounting & Statistical Assn., at a meeting there, discussed the new combined fire and casualty annual statement prescribed by National Assn. of Insurance Commissioners. Members of the Ohio depart-

ment and Kenneth G. Morris, E. F. Lanthorn and P. A. Keyes of the association discussed various phases of the statement.

### William Penn Case Turned Back to Pa. Commissioner; Suspension May Be Lifted

The Pennsylvania justice department has turned the case of William Penn Fire back to Commissioner Leslie at his request for what he terms appropriate action. This was done by the attorney general at a final continued hearing after both department and company officials testified that the company was no longer in a hazardous condition.

It was suspended from writing business July 13 by Mr. Leslie. He allowed payment of loss claims. It was indicated that on the effective date of reinsurance of the remaining portion of William Penn's business, Mr. Leslie will remove his suspension order, provided the company deliver a resolution of its directors stating that no new business will be written without Leslie's approval.

According to the department attorney, John A. Skelton, the company has improved materially its liquid position and has reinsured a substantial part of its business. As of Dec. 1 the company will have reinsured all of its remaining business. It is converting many non-liquid assets to cash and has continued to pay losses. Department examiners opine the company assets are sufficient to meet obligations to policyholders.

### III. Bureau 1-Page Symbol Plan Is Gaining Popularity

The simplified symbol plan for use in determining passenger car rates, actual value and collision premiums which Illinois Bureau of Casualty Insurers distributed last May is rapidly gaining popularity. It is now being used by Hoosierland Rating Bureau, Michigan Bureau of Casualty Companies and may soon be adopted by Ohio Bureau of Casualty Insurers. Response from agents has indicated that it is a great time saver.

A reprint of the symbol plan, which includes on both sides of one manual page what formerly was spread throughout 74 pages, is now in preparation to include 1951 information as well as symbols for newly-introduced models.

The idea for a one page symbol plan was originated by C. W. Margraff of Motorists Mutual of Ohio. The plan used by the Illinois Bureau was perfected by Robert J. Icks of the bureau, Edward J. Thau, Motor Vehicle Casualty, and E. F. Koring, Suburban Casualty.



H. H. Corson

### Bank Has Forums for Women

MINNEAPOLIS—"Property Insurance" was the topic for the advanced forum for women sponsored by First National Bank of Minneapolis Nov. 27. Speakers were D. W. Swanson, agency secretary of St. Paul Fire & Marine, and John C. Parish, assistant secretary.

This was one of several such forums conducted by the bank. Nov. 20 Stahl Edmunds, personnel director of Northwestern National Life, discussed "Current Financial and Economic Conditions."

John M. Balliet, local agent at Appleton, Wis., will be listed in the next edition of "Who's Who in America." He was for a number of years with the engineering department of the Union Pacific, returning to Appleton in 1914. He is author of articles on railroads, a director of Missouri Pacific, and of several Wisconsin industrial corporations.

Aaron Jensen, for 17 years a partner in the Lewis, Jensen & Arthur agency, Janesville, Wis., has been elected president of Janesville Kiwanis Club. He is secretary of Rock County Assn. of Insurance Agents.

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U. S. Fire  
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## Harrington Locks Horns with 'Industry' on Fire Policy Issue

A collision between the insurance representatives and Commissioner Harrington occurred at a hearing before the Massachusetts legislative committee on insurance concerning the standard fire policy issue. Mr. Harrington and James E. Curry, counsel for the department, are firmly advocating a minimum standards law instead of a statutory policy. Mr. Harrington charged that a statutory fire policy is a "road block in the way of progress." He wants the law to establish minimum requirements and for the companies to devise their own forms of contract just as they do in accident and health and other lines. He said that Massachusetts cannot approve the manufacturers output policy of Aetna Fire "because of our outmoded, archaic standard fire policy law."

John W. Downs, counsel for Insurance Federation of Massachusetts, presented the proposed new standard fire contract to the committee. He said that such departures as there are in the proposed form from the New York standard "embody all that is good in the present Massachusetts standard form." The change, he declared, would be a great improvement over the standard policy that has been used in Massachusetts since 1872.

A. Brooks Parker, vice-president of Boston Ins. Co., spoke in opposition to the minimum standards idea. He said that "we are a long way" from the day when the public will want all risk coverage in Massachusetts.

E. D. Sirois said the mutual organizations favor the proposed new standard form. K. W. Faunce of John C. Paige & Co., Boston, said there would be "tremendous chaos" if there were no standard fire policy. He pointed out that in many lines of insurance but one company generally covers the risk while in fire insurance as many as 60 companies may be on a line and concurrency is vital.

H. L. McNary said the producer organizations favor the new form.

### P.W.'s New Canadian Staff

Providence Washington, which is opening a Canadian head office at Toronto, has appointed Donald E. Teft, general manager; M. R. Sanders,

## STOCKS

By H. W. Cornelius Bacon, Whipple & Co., 135 So. La Salle St., Chicago Nov. 28

	Div.	Bid	Asked
Aetna Casualty	3.00	108	111
Aetna Fire	2.20*	60	61 1/4
Aetna Life	2.50	68	70
American Alliance	1.50	26 1/2	27 1/2
American Auto	2.00	43	45
American (N. J.)	.90	21	22
American Surety	3.00	60	62
Boston	2.65*	68	70
Camden Fire	1.15*	22 1/4	23 1/4
Continental Casualty	2.50*	65 1/2	66 1/2
Fire Association	2.60	61	63
Firemen's Fund	3.20	110	112
Firemen's (N. J.)	.70	22	23
Glens Falls	2.20*	55	57
Globe & Republic	.50	12	13
Great American Fire	1.50*	31	32 1/2
Hanover Fire	1.60	34	35
Hartford Fire	3.00*	143	145
Home (N. Y.)	1.60	35	36
Ins. Co. of North Am.	5.50*	124	125
Maryland Casualty	.80	19 1/2	20 1/2
Mass. Bonding	1.60	26	27 1/2
National Casualty	1.50*	34	36
National Fire	2.50*	58	60
National Union	1.60	34 1/2	35 1/2
New Amsterdam Cas.	1.50	37 1/2	39
New Hampshire	2.20	41 1/2	43
North River	1.20	28	29
Ohio Casualty New.	.80	50	Bid
Phoenix, Conn.	3.00*	85	87
Preferred Accident		3	3 1/2
Prov. Wash.	1.50*	31	32 1/2
St. Paul F. & M.	3.00*	108	Bid
Secur. Conn.	1.80*	34 1/2	36
Springfield F. & M.	2.00	44	45 1/2
Standard Accident	1.60	35	36
Travelers	1.20	525	535
U. S. F. & G.	2.00	49	51
U. S. Fire	2.00	66	68

\*Includes extras.

fire manager; John E. Skinner, marine manager; S. B. Garlick, casualty manager; S. C. Pettit, claims manager; T. J. Murphy, Ontario superintendent of agencies; L. G. McKelvey, chief accountant.

## Providence Washington Promotes Four on Coast

Charles E. Currey, manager of the Pacific Coast department of Providence Washington, has announced the promotion of four members of the department's staff. These promotions come as a part of the company's expansion program on the west coast, in which the department's headquarters in San Francisco has been enlarged by some 18,000 square feet of office space, and additional personnel has been added to the staff because of the entrance into the casualty field.

T. Edmund Roberts, formerly marine superintendent at Los Angeles, has been named assistant manager at San Francisco; Ed J. Doll, former state agent in Oregon, has been named assistant manager of the newly-opened casualty department; G. F. Nickerson, agency supervisor at San Francisco, has become manager of the northwest office,

with headquarters at Seattle, and John J. King, former engineer at San Francisco, is the new state agent for Oregon with headquarters in Portland.

Mr. Roberts is a veteran of 11 years service with Providence Washington on the west coast. He started as a special agent in southern California, later heading the marine department in Los Angeles—the post he leaves for his new assignment.

Mr. Doll, who has been with the group for more than two years, will head the department's new casualty department, which is expected to be in full operation early in 1951—under the banner of Providence Washington Insurance.

Formerly a state agent in Oregon, Mr. Nickerson has served as agency supervisor at San Francisco since 1949. Mr. King has been with the group for three years.

In setting up the new casualty department, Mr. Currey reported that an additional 30 to 40 persons would be hired to handle the work in the San Francisco office. The Seattle and Los Angeles offices are autonomous in their operations, except for the bookkeeping.

Horace W. Miller, secretary of the

Loyalty group at San Francisco, has been elected president of California Safety Council.

## Writes Casualty in Canada

Scottish Union & National will start writing casualty business in Canada the first of the year.

Dr. Joseph H. Finnegan, who has been appointed manager of the Actuarial Bureau of the National Board effective Jan. 1 to succeed Lewis A. Vincent, the new general manager, is an economics graduate of New York University and has been awarded a PhD. He was on the faculty of the N. Y. U. school of commerce from 1936 to 1943 and served as statistician with the citizens budget commission, an organization concerned with New York City finances, from 1943 until 1946.



Dr. J. H. Finnegan

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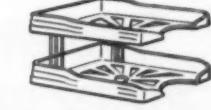
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**MORRIS DIP SET.** The "all-round" writing implement. Same Morris quality and appearance. Satisfies routine workers and demanding executives alike with instantaneous, efficient, smooth writing. No refilling or flooding... holds many months supply of ink. Choice of nine colors.



**MORRIS MEMO PADS.** A "must" on every desk... for the home phone too. Paper is readily accessible, yet always kept neat by either gold plated bar that drops as paper is used, or plain "boxed-in" corners. Plenty of room for imprinting here. Excellent premium or advertising specialty. Choice of matching colors.



**MORRIS LETTERTRAY** Masterfully designed and engineered for every requirement. Two point suspension allows complete freedom of access from the entire front and sides. Easily adjusted for a single or double desk. Strongly constructed tiers are quickly added, either letter or legal size.



### MORRIS PHONE REST

The easily adjusted phone rest that holds the phone in place without crimping your shoulder or straining your neck. For the Executive, the Secretary or the home. Have both hands free, saves time, makes life easier.



**MORRIS ASH TRAY.** The executive ash tray that's plenty large enough for the heavy smoker, yet easily fits most every desk... perfect for the conference table. Glass liner is removable for quick cleaning. Sturdy STYRON base is available in grained Walnut, Mahogany, the new steel Gray or Bronze to match newest styles.

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"DOUBLE-DUTY" either as individual items or... a "Morris-matched" desk set, the sign of an efficient executive. The complete desk setting shown, pen set, memo pad and holder, "lettertray" and ash tray, retail for little more than the cost of one higher priced, yet comparable fountain pen set.

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## States Collect \$1.61 Per Capita in Taxes from Insurers

WASHINGTON — The Census Bureau preliminary statistics indicate insurance companies will have paid \$239 million "sales and gross receipts" taxes to the states in 1950, compared to \$219 million actually paid in 1949. The 1942 figure was \$113 million.

These figures represent percentage increases of 111 from 1942 and 9 from 1949 to 1950.

The insurance company taxes represent \$1.61 per capita this year, as against 85 cents in 1942, based on estimated population, excluding armed forces overseas.

## Car Collides With River, Verdict Against Insurer

A car driven down a hill and onto a causeway where it struck water and was upset and washed off the causeway was deemed a "collision or upset" within the meaning of the policy by the Texas court of civil appeals in Proffitt vs. Providence Washington. The case was on appeal from the trial court where recovery had been denied.

Proffitt alleged that his car, operated by his son, was driven onto the crossing a causeway across the river, and hit the water and causeway and was upset by the flood waters and washed off the causeway and rendered useless. He claimed that the market value of the car dropped from \$1,500 to \$50 as a result, and sued basing his contention on the insuring agreement coverage B-1—collision or upset, which says "loss of or damage to the automobile caused by collision of the automobile with another object or by upset of the automobile."

### Constitutes Collision or Upset

The court said that "the facts are without dispute and are that when the car was driven down the hill and onto the causeway that there was a pretty good splash and it then slid over the causeway or into the chughole. It is, therefore, apparent that the automobile collided with the water and a portion of the causeway and this constituted a collision or upset." This collision, the court added, comes within the provisions of the policy and the subsequent resulting damages by flood waters are within the coverage of the collision or

upset section. Proffitt was awarded \$1,250. *Proffitt vs. Providence Wash.*, 14 CCH (Automobile) 1064.

## Lloyds Income Doubled

This year London Lloyds will more than double the volume of income that they drew in 1939 from the North American market. Speaking at Edinburgh in November on the operation of Lloyds Albert C. Dabbs said that it might now be regarded as an international institution.

## Seattle Reciprocal in Utah

Mayflower Automobile Inter-Insurance Exchange, Seattle reciprocal, has entered Utah. The Salt Lake City office will be managed by Wilburn C. West, formerly of Washington, D. C. Arthur T. Morley will be state supervisor and will open other Utah offices. He was formerly with Citizens Automobile Inter-Insurance Exchange, Utah reciprocal.

The exchange, which has been active in the Pacific northwest for six years, also will enter California in the near future. It specializes in a "temperance policy" endorsement, offering lower automobile insurance rates to non-drinkers.

## War Damage Hearings

WASHINGTON — Rep. Spence, chairman House banking committee, plans to hold hearings on war damage insurance legislation after those on rent control legislation are completed. This may be as early as the week of Dec. 3, depending upon how long rent control requires.

## Wis. Mutuals Meet Dec. 13

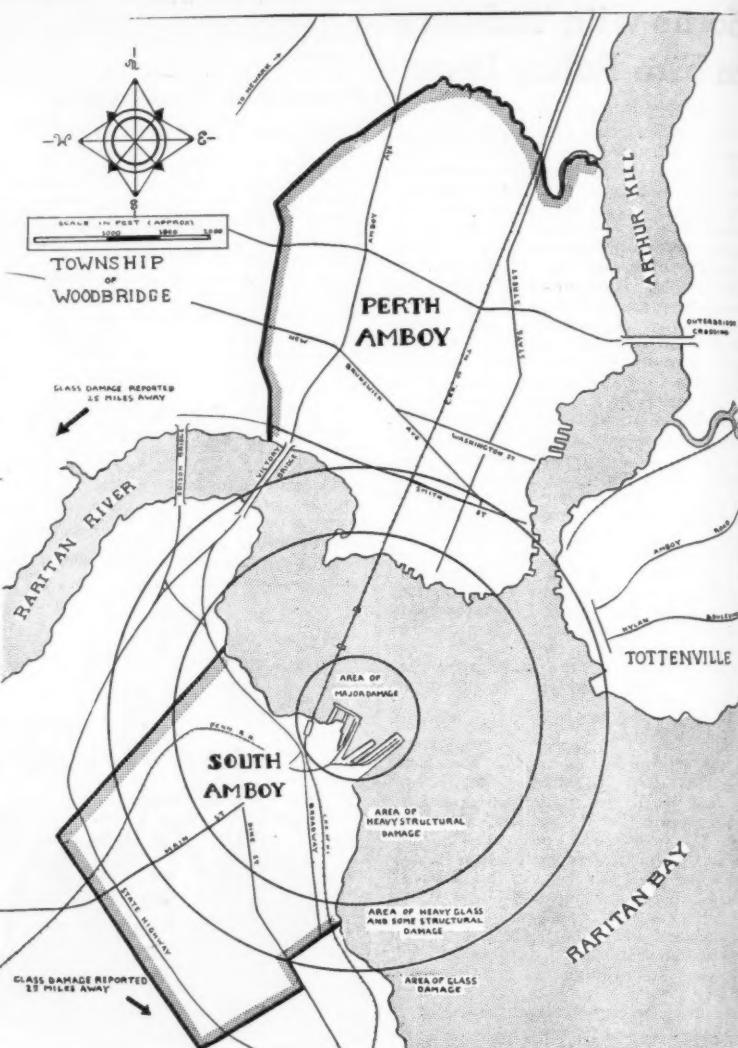
MILWAUKEE — Wisconsin Federation Mutual Insurance Companies will hold its annual meeting here Dec. 13. Current problems and plans, including matters for the 1951 Wisconsin legislative session, will be discussed.

**John E. Prechtel**, inspector for Mountain States Inspection Bureau at Denver for years, has joined Wheeler, Kelly, Hagny at Wichita to head the engineering department.

**Atlee Hites**, Columbus manager for Potomac Fire, will address Ohio Stock Fire Insurance Speakers Assn. at its meeting at Columbus Dec. 4.

**Wichita Assn. of Insurance Women** has started the N.A.I.A. course on "Insurance Regulations," open to members of Wichita Assn. of Insurance Agents as well as the insurance women.

## Tells Story of South Amboy Blast



General Adjustment Bureau has gotten out a printed and illustrated report on adjusting operations after the South Amboy explosion from the period of May 19 to Oct. 27. The story of the loss activity is told in interesting and thorough fashion and then there is a recapitulation showing that the number of losses paid during the period was 5,367 for a total of \$3,676,000, the average loss being \$685.

There were 3,721 losses under \$500, the amount paid being \$579,000 and the average loss \$155. There were 1,646 losses of more than \$500, the amount being \$3,097,000 and the average \$1,881.

The simultaneous detonation of 150 tons of dynamite and military explosives at South Amboy on May 19 resulted in the death of 31 persons, injuries to more than 350 and property damage of about \$10 million.

The map reproduced herewith shows the extent and severity of the South Amboy explosion damage.

## DEATHS

**WILLIAM J. MILLER**, 51, three times representative in the U. S. house from the Hartford district, died at his Wethersfield home after a long illness.

Though he lost both legs in a world war I plane accident, he had a successful career for himself in politics, in insurance, and in veterans affairs. He ran six times for the House, winning three and losing three contests.

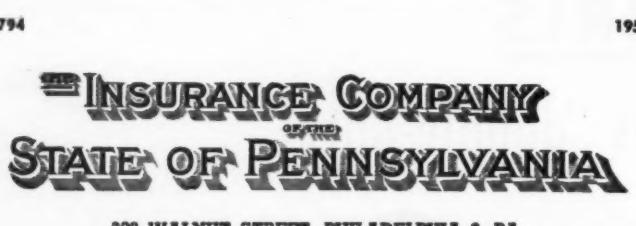
His status as an unusual politician was established in one of his later campaigns for office when he returned a large contribution from a national Republican group, explaining that he had funds enough to meet all his expenses, and perhaps some other candidate could use the money better. That action led to a friendship between Mr. Miller and a nationally prominent business figure, through whom Mr. Miller later secured several important insurance accounts.

Both as a politician and as an insurance man, he was a familiar sight around Connecticut in his specially-built car or in his wheelchair. He drove many thousands of miles in his car, all with an accident-free record. He was a member of the American Legion's na-

tional rehabilitation advisory committee. He obtained many benefits for the veteran. He was a good insurance man and made friends on both sides of the political fence.

**EUGENE F. SCOTT**, 84, retired Kentucky state agent of Great American, died at his home at Shelbyville, Ky. He is regarded as the dean of fire insurance in Kentucky. Mr. Scott started in the business at Kansas City doing rating work under the analytic system. He went with the Kentucky and Tennessee Board of Fire Underwriters, now the Kentucky Inspection Bureau, in 1904, introducing the analytic system in those states. In 1908 he joined Southern Fire as Virginia special agent, going with Great American as Kentucky special agent two years later. He remained with that company until his retirement in 1937. Mr. Scott, very active in insurance circles, was a past president of Kentucky Fire Underwriters Assn.

**VICTOR EVEN GRAY**, who served as insurance superintendent of Ontario from 1920 until 1924, being succeeded by R. Leighton Foster, died. For some time he was chairman and counsel of Canadian Casualty Underwriters Assn. and Canadian Automobile Underwriters Assn.



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## Dearborn Nat'l Petition Against Forbes Dismissed

LANSING, MICH.—Judge Coash Tuesday dismissed, without consideration of its merits, a petition for an order to show cause why Commissioner Forbes should not be required to give immediate approval to a proposal for reorganization of Dearborn National and Dearborn National Casualty.

The Ingham county circuit jurist held that he lacked jurisdiction inasmuch as Michigan law provides that state officials may respond only to mandamus action in the state supreme court in matters affecting their administrative duties.

The two companies, headed by David F. Broderick, were seeking to expedite a reorganization plan under which they would be merged as a multiple line group. The change would have involved issuance of additional preferred stock in the amount of \$1,250,000.

### Seek Examination Report

Coincident with dismissal of the one petition, the companies' counsel, John T. Higgins, who is also a vice-president of the companies, filed another plea for an order to show cause, made returnable Dec. 4, why the Michigan department should not supply the companies with a report of examination immediately upon completion of the departmental examiners' work.

Department authorities opposed the reorganization proposal because examination of the companies is still in progress and the supreme court has not yet ruled on an appeal by the companies from a Wayne county circuit court decision which upheld Commissioner Forbes in an order demanding that the companies dispose of certain inadmissible securities which, it was contended, had formed an unsound pyramidal structure of corporations controlled by Mr. Broderick. A department spokesman said that information is not now available as to whether the proposed additional stock sale would be adequate to make a soundly financed multiple line insurer out of the existing companies.

### Royal-Liverpool Gives 8% Salary Increase to Staff

Royal-Liverpool is giving a salary increase of 8% to all permanent full-time employees with a maximum additional payment to any one person of \$500 per year.

### Advance Read at St. Paul

Marsh & McLennan has appointed Cecil Read vice-president in charge of the St. Paul office. He succeeds Jule M. Hannaford, Jr., who asked to be relieved



Mrs. T. R. Mansfield, wife of the president of Gulf, and A. W. Kay, who is charter agent, charter stockholder and charter director of Gulf, at 25-year anniversary dinner.

of administrative duties but will continue as vice-president in a general production capacity. Other vice-presidents are John G. Harrison and W. J. O'Brien. Mr. Harrison will assist Mr. Read in Administrative duties.

## Grain Assn. Reelects Officers

All officers of Underwriters Grain Assn. were reelected at the annual meeting last week at Chicago. M. E. Peterson, Springfield F. & M., is president; H. A. Clark, Loyalty group, and H. W. LaRue, America Fore, are vice-presidents, and R. G. Steinbeck, Underwriters Grain Assn., is secretary and treasurer. The manager is Charles E. Harbin.

Attorneys reelected are Edward H. Born, Western Underwriters Assn.; Mr. Harbin, and Miss T. L. Magruder, Western Insurance Bureau.

Mr. Harbin reported that the association has so far had a satisfactory year and that liability is heavy. One new company, Kansas City F. & M., has joined the association. The association had a record number of wind losses in 1950.

Members of the executive committee are Messrs. Peterson, Clark and LaRue, and H. C. Bean of Travelers Fire, P. S. Beebe, Hartford Fire; G. H. Duxbury, North British; L. J. Fischer, Home; E. D. Lawson, Fireman's Fund; W. E. Newcomb, Great American, V. L. Montgomery, North America; C. W. Ohlsen, Sun, and W. A. Seely, Crum & Forster.

### Further Action on Escott Plan in Ohio Undecided

COLUMBUS—Ohio Inspection Bureau announced this week that it had not determined its next step in connection with the Escott plan, which was ruled out as discriminatory by the Ohio department. The decision of the department has been referred to the companies which are members of the inspection bureau, for their action.

### N. J. Square Club Elects

NEWARK—At the annual meeting here of Insurance Square Club of New Jersey, Carl Fry, Boston and Old Colony, was elected president, succeeding Kenneth G. Long. Vice-presidents are Edgar O. Rose, Pacific National and Robert Williams, Fire Insurance Rating Organization of New Jersey, secretary, F. J. Pye, F.I.R.O.; treasurer, George Burger, Northern of New York.

### Ohio Farmers Snow-Bound

Ohio Farmers at Le Roy was operating on a crippled basis early this week. It had received no mail since Friday. Telephone services were curtailed and the home office was operating with a skeleton staff.

### Start Salt Lake City Course

A four-course curriculum for agents and insurance personnel will commence at Salt Lake City Nov. 16, according to M. A. Nell, education chairman Salt Lake association. Inland marine will be the first of the four courses. Field men and experienced local agents will furnish the teaching talent, Mr. Nell stated.

Other insurance courses will commence in the near future at Ogden, Logan and Provo.

### Schollander at Newton

W. L. Schollander, St. Paul state agent, Wichita, spoke at November meeting of Newton (Kan.) Insurance Board on "Authority, Responsibility and Limitations of a Local Agent."

### Watertown Agencies Merged

The Seaver & Peck agency, Watertown, N. Y., has purchased the agencies of Floyd C. Ellis and of the late Charles

S. Pringle. Bruce A. MacDonald, president, with Seaver & Peck for 32 years, and John E. Jones, vice-president for two years, will continue as the top officers. Mr. Jones had previously operated the Jones-Hines agency.

### In Army But Wins Election

Herbert Duis, local agent at Gothenburg, Neb. now a master sergeant in the army, was elected to the legislature in absentia. He was recalled to service just as the campaign was getting hot, but his wife carried on for him.

W. T. Thompson, Cozad, local agent, Democratic candidate for state treasurer, Edward A. Dosek, Lincoln, president of American Protective H. & A. and Lincoln Bonding, Democrat for lieutenant governor, both were defeated.

### Dubuque Agents Organize

Local agents at Dubuque, Ia., have formed Dubuque Assn. of Insurance Agents, with temporary officers named to set up a permanent organization. Temporary officers are Ellis Butler, president; Clarence Sanner, secretary, and Don Chamberlain, treasurer.

J. F. Follmann, Jr., will speak at the Jan. 17 luncheon meeting of Philadel-

phia A. & H. Assn. on recent developments in the business.

### Hold E. U. A. Annual Dec. 7

The annual meeting of Eastern Underwriters Assn. will be held Dec. 7 at the Biltmore, New York, followed by a reception and dinner.

### Irving Reynolds a Director

Irving Reynolds of the law firm of Shearman & Sterling & Wright has been elected a director of American Reserve. He is also a director of the affiliated American Reinsurance.

Indiana Blue Goose Nov. 27 held an initiation meeting at Indianapolis. A social hour and dinner followed.

W. A. Miles of the Miles & Miles agency of Chicago, who has been seriously ill for the past eight months, is now on the mend and it is hoped that he can resume business activities before long.

Guy N. Hedreen of Groninger & Co., Seattle general agents, spoke on insurance problems at the Pacific northwest regional conference of Building Owners & Managers at Spokane.

# WHAT'S WRONG WITH PERSONAL ACCIDENT INSURANCE?

**YOU** as an insurance producer have a primary obligation to see that every one of your clients is adequately protected by insurance. You insure his home, his business, his life, his automobile and other property BUT many of you overlook the one thing that enables him to have all of these...namely, his income. Over 30% of the people do not carry accident insurance and have NEVER BEEN SOLICITED. We have the perfect answer to your needs. Liberal contracts with a minimum of red tape. There's a good income in it for you, too;...why can't we get together?

# Phoenix-London

GROUP

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PHOENIX ASSURANCE CO., LTD.  
IMPERIAL ASSURANCE COMPANY  
COLUMBIA INSURANCE COMPANY  
UNITED FIREMEN'S INSURANCE CO.  
THE UNION MARINE & GENERAL INSURANCE CO., LTD.  
LONDON GUARANTEE & ACCIDENT CO., LTD.  
PHOENIX INDEMNITY COMPANY

# Explore Opportunities in Business Interruption

A business interruption forum sponsored by Jaffe Agency, Brooklyn, proved very popular with the 250 agents and brokers attending. William Rusher, manager of Hartford Fire in Brooklyn, and Harold Hyer, independent adjuster, were the speakers.

In order to sell business interruption insurance, Mr. Rusher stated, it is first necessary to dispel the fallacy that it is mysterious and requires wizard salesmanship. Average intelligence, time and attention are all that is needed.

## Two Types of Cover

First step in selling it is to understand the two types of coverage available. There is the contribution form which provides for two separate amounts of insurance. One covers profits, salaries of officers and key employees and continuing business expenses lost through the interruption. The second item under the contribution form is optional and covers necessary ordinary payroll which continues through the shutdown. The gross earnings form which covers loss of business earnings in a single amount of insurance with one rating formula applying to the whole contract is the second type. Mr. Rusher said that the gross earnings form is best for the average merchant because of the simplified rate structure.

In determining how to arrive at proper amounts of coverage, Mr. Rusher commented that many establishments which do not carry limits in proportion to their exposure suffer severe coinsurance penalties. Each risk should be analyzed and the most suitable type of coverage prescribed. A safe start for selling the coverage is 50% of assured's gross earnings with a 10% margin of safety added to it.

To illustrate the crying need for business interruption cover, Mr. Rusher took two dollar bills. The first represented the value of insured's building, fixtures, equipment and stock. The second dollar represented assured's earnings. Both the dollars are equally important, he emphasized.

Cultivating accountants is an import-

ant step toward selling the coverage, according to Mr. Rusher. Very often, he commented, prospect's accountant suggests its need. In such cases, he warned agents and brokers not to let the accusing finger of too low limits be pointed at them after a loss.

In referring to the need for carrying adequate limits, Mr. Hyer stated that a very successful company which carried \$360,000 limits suffered a business interruption loss of \$1,800,000.

He has noticed many young adjusters pushing aside claims under this coverage. Business interruption insurance, he said, should not be regarded as something not understandable but rather a necessary form of insurance for every merchant or manufacturer who wants a guarantee that he will receive his gross earnings in case of shutdown caused by fire or other hazard contemplated by the contract.

## Questions and Answers

At a question and answer session which followed the talks, Mr. Rusher stated that each assured should find out before purchasing the coverage how much time would be needed before normal operations could be resumed after a shutdown. Mr. Hyer commented that a firm using unusual machinery or equipment should ascertain what delivery dates would be in case of shutdown. One firm found out that their principal machine would take 19 months to replace.

When asked whether it was necessary to carry fire insurance as well as business interruption, Mr. Rusher stated that the two coverages are distinct although it is hardly conceivable to picture an assured who carries business interruption without fire coverage. One broker asked Mr. Rusher to explain contingent business interruption cover. One company depends on another for essential types of equipment, he explained. If the company which manufactures that equipment shuts down after a fire, the dependent company whose operations are also halted would be eligible for coverage, had it purchased contingent business insurance.

A question creating great interest was the method to be used to recommend coverage for a new company. Mr. Hyer stated that coverage can be determined after consultation with the new company's officers. They should have some idea of income expectancy for the first year.

Charles Manzell of the Jaffe New York office suggested blanket coverage where a firm has several branches and contingent coverage where a firm depends to a great extent upon a non-owned firm as a source for its machinery replacements.

## Policyholder Committee Allowed to Intervene in Keystone Mutual Case

The Pennsylvania state supreme court decision has allowed a policyholders' committee to intervene in liquidation proceedings of Keystone Mutual Casualty. The high court, sitting at Philadelphia, overruled the Dauphin county court which had barred the committee from joining in the court-ordered dissolution of the company. Commissioner A. C. Leslie and Attorney General Margiotti joined in the appeal.

Former Commissioner Malone took over Keystone in 1947, when he said he found irregularities in the books. Its affairs since that time have been pending in court as policyholders sought to prevent dissolution and liquidation.

It was reported that an audit of the books obtained last summer by Mr. Leslie disclosed that instead of being "broke" the firm was at least \$500,000

in the black. The supreme court, however, withheld judgment on whether rehabilitation of the company would be "proper under the circumstances."

Its decision said: "We see no reason why a policyholders' committee should not intervene if for no other reason than to protect their interests." It added that "great loss could result from a denial of intervention and no harm can result if it is allowed."

## C. I. Fisher New England Advisory Board Chairman

Carleton I. Fisher, Providence, has been elected chairman of the New England advisory board, which coordinates activities of the six agents associations in the area. Leo R. Mongeau, Lowell, was elected vice-chairman, and Edward S. Pike, Rutland, Vt., returned to the secretary's office which he left a year ago.

The conference committee which represents agents in negotiations with companies and rating bureaus, is headed by Robert S. Preston, Providence, president of the Rhode Island association. Other members are Archibald M. Dodge, Portland; Graham Smith, Brockton; Richard C. Hubbard, Middlebury; William W. Hatfield, Bridgeport; Archie Slawsby, Nashua, and Converse Hill, Boston.

## Subdivide Class 2 in Wash.

The Associated Veterans Aircraft & Automobile of Los Angeles has announced new classifications for automobile B.I. and P.D. in Washington. Class 2 risks have been subdivided. The breakdown consists of 2A — married males, living with spouse, ages 21-24 inclusive; female 21-24. 2B — single males, ages 21-24 inclusive. 2C — any person under 21 or over 65.

Class 4 has been created for farmers and a new territory 8 has been set up covering Fort Lewis, McChord Field, North Fort Lewis, American Lake Gardens and Old Camp Murray.

## No. Am. Ups Dividend

North America has declared an extra dividend for the year end of \$1.50 payable Dec. 20 to holders of record Dec. 6. For some years past the company has paid a regular annual of \$3 plus an extra of 50 cents and thus has been considered on a dividend rate of \$3.50. The company also has changed from semi-annual to quarterly the meeting date for dividend action. It has held this meeting and declared a \$1 dividend, which would be the regular, payable Jan. 15 to holders of record Dec. 29.

## Wolverine Move Progresses

LANSING, MICH. — Wolverine has moved the bulk of its equipment from its old home office building here to its new location in the Wolverine Tower building in Battle Creek.

A force of some 60 employees recruited in Battle Creek has been transported back and forth between the cities during an extensive training period and they now are taking over their routine duties in the new office. John H. Carton, president, said about 35 to 40 more employees will be taken on in Battle Creek and that, with those members of the staff moving from Lansing, will give the carrier a working force of from 140 to 150 persons. An "open house" ceremony in the new home is planned for soon after the first of the year.

## Set Wichita Christmas Party

Wichita Assn. of Insurance Agents has set Dec. 20 for its Christmas party, at which office employees and public officials will be guests, more than 200 being expected. Bishop Mark K. Carroll of the Wichita diocese of the Catholic church will speak Dec. 13.

## French to Thompson-Elwell Co.

R. R. French, formerly a local agent at Portland, Ore., has joined Stuart G.

Thompson-Elwell Co. as office manager and underwriter at Portland. He started with Oregon Casualty and after two years joined Swett & Crawford as a casualty underwriter.

## Len Jordan Ida. Official

Len Jordan, Republican, was recently elected insurance commissioner of Idaho.

## Now Sheffer-Cunningham-Ashley

O. V. Ashley who has been a member of the adjusting firm of Shaffer-Cunningham since 1946, has now had his name added to that of the original firm. The name of the firm now is Sheffer-Cunningham-Ashley.

## N. D. Chiropractors Win Ruling

Commissioner Krueger of North Dakota has gotten an opinion from the attorney general that A. & H. companies may not restrict their policies to deny benefits for chiropractic treatment. Hence, Mr. Krueger has ordered that any contracts with such restrictions be amended immediately to conform to the opinion.

**Kenneth B. Williett**, vice-president of Hardware Mutual Casualty and past president of National Office Management Assn., addressed the Elks at Springfield, Ill.

**Commissioner Leslie of Pennsylvania** and several assemblymen were guests at a luncheon of Insurance Agents & Brokers Assn. of Philadelphia and suburbs.

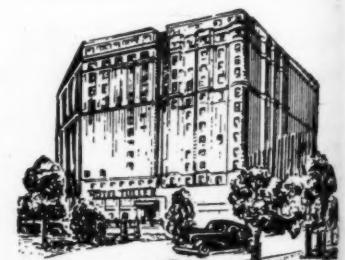
Richard P. McCann has taken over the agency of his father Arthur J. McCann at **Columbus, O.**, following the death of the latter.

Kenneth Johnson has purchased the interest of Ted Ihrig in the Kelly Brothers agency at **Bryan, O.**

**Elmira & Chemung County Insurance Women's Assn.** met at Elmira, N. Y. A discussion on "Parliamentary Procedure" was led by Miss Mary Stefan.

Walter E. Thurston, supervisor of health, physical education and safety of Mishawaka schools, showed a fire drill instruction film which he has developed for the school system at the Nov. 11 meeting of **South Bend-Mishawaka Assn. of Insurance Agents**.

**Protection Mutual Fire**, Chicago, has been licensed in Connecticut.



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## DETROIT

Facing Grand Circus Park

First thing to do in Detroit is check in at Hotel Tuller! You'll enjoy every minute. Newly modernized. Beautifully decorated. Within walking distance of all downtown stores, theatres and business activities . . . yet, you enjoy the ever-green atmosphere of Grand Circus Park . . . The Tuller Coffee Shop or Cafeteria for excellent food modestly priced.

VISIT OUR  
COCKTAIL LOUNGE  
ONE OF DETROIT'S FINEST  
800 ROOMS  
from \$2.75  
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## VICE PRESIDENT GENERAL MANAGER

A casualty company who is going into the fire lines wants a man to set up and manage the fire company. The man must have home office fire experience. Salary open.

## FERGASON PERSONNEL

330 S. Wells Street HArrison 7-8040  
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## Coats & Burchard Company

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For correct coverage  
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Chicago  
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Dallas  
Burlington,  
N. C.

The Pioneer Organization

## Twosomes at N.A.I.A. Parley



From N. A. I. A. convention:  
Above: J. G. Mayer, executive secretary New York State Assn. of Insurance Agents, and Harry Minister, Columbus, N. A. I. A. finance chairman.  
Center: Mrs. H. J. Parrish, and Mr.

Parrish, Tulsa. She is daughter of Lyle Gilt, Peoria local agent, and he is associated with his father, Harry F. Parrish, in his agency.  
Below: Atlantans John H. Hartley and J. C. Dunlap.

## Haines Retiring as U. S. Chief of Phoenix-London

(CONTINUED FROM PAGE 1)

the domestic companies of the group and as a director of Insurance Society of New York.

Mr. Jones was born in Wales and came to the United States in 1913 with Globe Indemnity at the home office, later transferring to Philadelphia. He returned to Wales during the first war and served in a rifle brigade. On his return to the United States in 1919 he became a citizen and filled various positions with General Accident, Norwegian Globe Re and Sun Indemnity. In 1926 he became comptroller of London Guarantee. For 15 years he has been deputy chief executive officer of the Phoenix interests in the U. S. He is a member of the accident prevention advisory committee of Assn. of Casualty & Surety Companies and of the Casualty Actuarial Society.

Mr. Robinson began his insurance career at Hayward, Cal., as a local agent. He was an inspector for California Inspection Rating Bureau and in 1924 joined Phoenix Indemnity as underwriter at San Francisco. He transferred to the home office in New York in 1927 as superintendent of agencies and later was elected a vice-president. In 1938 he became assistant U. S. manager of London Guarantee and in 1942 assistant U. S. manager of Phoenix and Union Marine & General and vice-president of Columbia, Imperial and United Firemen's. He is a member of the public relations committee of National Board, chairman public relations committee of Eastern Underwriters Assn. and member advisory committee National Automobile Underwriters Assn.

### K. H. Mead Now V.P.

Western Casualty & Surety has elected Kenneth H. Mead as a vice-president. He joined Western at Kansas City in

1949 as manager of the fidelity-surety department. His previous experience included nine years as eastern bonding manager of Continental Casualty. He started with American Surety at Pittsburgh and Chicago, and went with Continental Casualty in 1937.

Eugene H. Allen, also of the bonding department at Kansas City, has been appointed an assistant secretary.

### Preston Bacon Changes

WICHITA—Preston M. Bacon, who has been the Wheeler-Kelly-Hagny agency here for the past four years is leaving to become a partner in the Ben H. Northcott, Jr., agency at Newton. Mr. Northcott has been a local agent at Newton 26 years and has never missed a state convention in that time. Before coming to Wichita Mr. Bacon had been with National Surety at Kansas City. Previous to that he spent seven years with Liberty Mutual in New York and Tennessee. He is vice-president of the Wichita Board and chairman of the executive committee.

John E. Prechtel has joined Wheeler-Kelly-Hagny as fire engineer. He has been with Mountain States Inspection Bureau and is a graduate engineer from University of Colorado.

Lucille Perrin of the W. G. Matchette agency at Wichita has returned from a Holy Year Pilgrimage to Rome where she had an audience with Pope Pius. She visited Spain, Italy, France and England.

The Matchette agency has recently moved to new and much larger quarters on the ground floor of the Beacon building.

Archie F. Mansfield, general adjuster at Portland, Ore., for General Adjustment Bureau, was honored on his 25th anniversary with G.A.B. at a party at which he was presented a wristwatch by Harry J. Boyle, general manager of the Pacific department.

## Surplus Line Market

*Fire and Casualty  
for Agents and Brokers*



**NARRAGANSETT  
INSURANCE COMPANY**  
OF PROVIDENCE, RHODE ISLAND

17 Custom House Street

# NEWS OF FIELD MEN

## Wisconsin Blue Goose to Fete Four Retiring Ganders

Wisconsin home nest of Blue Goose will have a buffet dinner Dec. 4 at Milwaukee to honor four members who are retiring Jan. 1. Those who will be feted are—Cornell Anderson, manager of Home; Ben Ingebritson, farm state agent of Home; L. L. Neuberg, state agent of National Fire, and G. Frank Risley, state agent of Great American.

## WANT ADS

Rates \$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER  
FIRE & CASUALTY EDITION

### WANTED — TWO FIELD MEN

Prominent expanding Eastern stock fire insurance company desires a field man to cover Ohio and another to cover Northern Indiana-Southern Michigan. Must be experienced in fire and allied lines. Unlimited opportunity for right men. Give full confidential information about yourself. Address C-73, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### MINNESOTA STATE AGENT WANTED

Aggressive stock fire insurance company fleet requires experienced field man. State qualifications and draft status. Our employees know of this ad. Address C-66, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED TO BUY

General insurance business, Detroit, \$75,000 volume or less, or a gradual retirement arrangement purchase plan with complete facilities and housing available. This offer by established and responsible stock companies agency Detroit, Michigan. Address C-54, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED

Automobile insurance adjustment supervisor with experience in underwriting and production for established company opening up automobile writing. Address C-69, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED FOR INDIANA

Experienced field man 25-38 who knows automobile and general casualty line. Good future. Address C-70, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED TO BUY

Casualty business. Please state full particulars and mode of selling in first letter. Address C-71, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### WILL BUY

Desirable fire and casualty insurance business producing \$10,000 or more premium in Chicago area. Address C-74, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### COLORADO AGENTS CASUALTY MAN

Interested in connection with a progressive general agency. Will buy partnership. Presently employed by large stock company. Locate any live city. Address C-72, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Executives from the home offices will be on hand and a large turnout is expected. Howard W. Bailey, Pacific Fire, most loyal gander, will be toastmaster.

### St. Paul Appoints Two New York State Agents

Frank McGlaughlin, formerly special agent for St. Paul Fire & Marine at Albany, N. Y., has been appointed state agent with headquarters at Syracuse, where the company has opened a new service branch.

Austen D. Brown, formerly state agent at Buffalo, has been transferred to the eastern department office at New York to assume a position of greater responsibility. He will be replaced by Myles W. Rowan, who was formerly with the eastern department office.

### Form Corpus Christi Puddle

Robert N. Tweedy, manager of General Adjustment Bureau, has been elected big toad of the newly organized Corpus Christi puddle of Alamo Blue Goose. Other officers are: Pollywog, William H. Cousins, general agent; croaker, O. B. Roquemore, G.A.B., and bouncer, Baxter Jackson, Cravens, Darigan & Co.

The puddle got under way with more than 20 members including 15 who were initiated at the organization meeting. Guests included Charles L. Beale, grand supervisor, and Palmer Brice, deputy most loyal grand gander, both of Dallas.

### Prepare Fire Policy Course

W. L. Wright, Aetna Fire, chairman of the educational committee, reported at the November meeting of Mountain Field Club at Manchester, N. H., that the basic fire policy discussion course being prepared for presentation to New Hampshire agents is nearing completion and that 15 members have volunteered to act as discussion leaders. Elected to membership were Edwin K. Boggs, New Hampshire Board of Underwriters, and C. H. Lippert, North British. Lloyd Greer, secretary of New Hampshire Assn. of Insurance Agents, was a guest.

### Coast Guard Man at La.

Louisiana Blue Goose at its November meeting heard a talk by Lt. Comdr. Whitney Dunning of the U. S. Coast Guard who showed two sound pictures, "Damage Control" and "The Chemistry of Fire."

Plans are being made for the anticipated visit of Paul Fell, most loyal grand gander at the Jan. 8 meeting.

### Hoffman to Nat'l Union

Derwood T. Hoffman has been added to the field force of National Union Fire at Los Angeles. He is a graduate of University of Southern California.

### Schedule Kansas Inspections

Kansas Fire Prevention Assn. has scheduled inspections for Anthony and Lyons in January, Atchison in February, Garden City in March and Arkansas City in April.

William McCall of D. K. MacDonald & Co., entertained Seattle Blue Goose with some of his master magician stunts, at the November dinner meeting.

Kennison N. Gale has been promoted to marine special agent of Boston at Newark.

Paul Speegle, program manager at San Francisco, for National Broadcasting Co., discussed "Television" at the Nov. 27 luncheon of San Francisco Blue Goose.

The Austin, Tex., puddle of Blue Goose will entertain members, their wives and guests with a dinner and dancing Dec. 4.

# COMPANIES

### Boston to Increase Capital to \$5 Million

Stockholders of Boston will vote Dec. 8 on the proposal of the directors to increase the capital to \$5 million from \$4½ million. Stockholders will be entitled to one new share of \$10 par value stock for each 11-1/9 shares presently held. This is the second consecutive year in which Boston has paid a stock dividend. Last year there was an increase from \$4 million to \$4½ million.

A special cash dividend of 25 cents per share was also declared payable Dec. 7 to stock of record Nov. 12. The regular quarterly dividend rate is 60 cents.

### Extra Dividends Declared

Great American and American Alliance has each declared a 30 cent extra dividend in addition to the quarterly payment of 30 cents. In each company the extra dividend is payable Dec. 22 to stock of record Dec. 1 and the quarterly is payable Jan. 15 to stock of record Dec. 20.

American Alliance is thus paying \$1.50 this year which compares with \$1.10 last year.

## MARINE

### New Canadian Marine Chief

J. E. Rawling has been appointed ocean marine manager in Canada for Norwich Union and Eagle Fire of New York. New offices have been opened at Toronto under the supervision of F. R. Elger, marine superintendent.

### FTC Study Progresses

WASHINGTON—The federal trade commission inland marine study is said by officials to have been completed as to the investigation stage and to be pending for review in the office of the commission's general counsel. Edward Thomerson is in charge of insurance matters in that office.

### \$50 PPF Deductible in Canada

Canadian Inland Underwriters Conference has approved increasing the deductible for the personal property floater in Ontario, Quebec and the maritime provinces from \$15 to \$50. A credit of 25% of the premium for the blanket portion is to be allowed, but not more than \$50, and any such credit shall not reduce the minimum premium.

No statement of policy with respect to a similar change has been announced for British Columbia, Saskatchewan, Alberta or Manitoba.

## CHICAGO

### YOUNG ADDRESSES BUYERS

Malcolm G. Young of Zurich is the speaker at the Nov. 30 meeting of Midwest Insurance Buyers Assn. at Chicago. His subject is "After General Mills?" and covers general liability exposures, including liability under leases and contracts, property damage liability, and subrogation.

### TAPPER BUYS NELSON FIRM

Ralph Tapper, independent adjuster, operating as Ralph Tapper & Co., Chicago, has purchased the Oscar J. Nelson & Co. adjusting firm of Chicago. Both companies will retain their identities. Mr. Tapper has moved to the offices occupied for many years by the Nelson firm at 1913 Insurance Exchange building. Mrs. Nelson, who took over the company following the death

of her husband, remains financially interested in Nelson & Co.

Nelson & Co. was organized in 1948 and Tapper & Co. in 1948. Mr. Tapper is the son of the late Ralph W. Tapper, former western manager of the Rhode Island and later a broker in Chicago for a number of years.

Thomas O.C. Lane, for several years manager of the life department of the Cramsie, Laadt class 1 agency in Chicago, has joined the Behrns agency of New England Mutual Life in Chicago as agency assistant.

### New Chicago Law Office Arrangement

The Chicago insurance law firms of McKinney & Carlson and Heineke & Conklin this week made an announcement of considerable interest to the insurance business. As of Dec. 1, Heineke & Conklin are removing their offices to the Bankers building, 105 W. Adams street, where McKinney & Carlson are now located. The two firms while retaining their respective identities have arranged to make available to their clients the combined personnel and experience of both firms.

### Wichita Agencies Merged

Henry V. Schott, secretary of Wichita Assn. of Insurance Agents, has consolidated the Dick Hill agency, organized in 1910 by Oscar L. Hill, with his agency. O. L. Hill died in 1938, and then the agency was operated by his son, Richard L. Hill, who died last September.

Insurance Square Club of New Jersey will hold a meeting Dec. 11 at Newark.



Philip Bliss, Middletown, the new president of the Connecticut Assn. of Insurance Agents, who was elected at the annual meeting recently at Hartford.

### Indiana Leaders

C. D. Kessler, the new president of Indiana Assn. of Insurance Agents, has an impressive record of activity in association affairs, having served twice



Linn S. Kidd



C. D. Kessler

president of the Peru association and as regional vice-president of the state association before becoming 2nd vice-president in 1948. He has also been director and chairman of the local board and insurance school committees.

Assisting Mr. Kessler in liaison with the National association will be Linn S. Kidd of Brazil, who was reelected state national director. Mr. Kidd served two terms as president of the Indiana association and is now entering his third term as state director.

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## EDITORIAL COMMENT

### Observations on the Biggest Storm

The mid-century year of 1950 will go down in fire insurance history as the year of the enormous blows. We had the notorious May 5-6 storm in the middlewest that set a new record in number of claims, 400,000 in all, and that may tot up to an insurance bill of close to \$15 million. There was the recent Florida hurricane that wreaked most of its vengeance on Miami, and that was at first set down as a \$20 million insurance loss, but which actually may wash out to about half that figure. Now we have the engulfing eastern storm in connection with which it is seemingly impossible at this hour to make any kind of a reliable guess as to the cost, although 300,000 claims and \$50 million are mentioned as conservative figures. And, of course, there were a myriad of other storm losses.

The extended coverage and tornado losses paid by stock companies in 1949 were something over \$74 million. It is now anybody's guess what the 1950 figure will be. There will be a wide gulf between paid losses and incurred losses for 1950 because a large part of the Florida claims will not have been adjusted by the year end, nor will many of the new eastern storm claims.

This storm will cause a reexamination of the windstorm deductible idea throughout the country. It was in effect on various bases throughout part of the present storm area, but not in others. This is the kind of loss occurrence that has been envisioned by the advocates of the deductible as illustrating their fears. That is, since the time

of the 1938 and 1944 hurricanes in the east, there has been such a vast increase in the amount of extended coverage and windstorm insurance carried in the area, that a hurricane-like storm of wide dimensions conceivably could take an unheard of toll of insurance money. The advocates of the deductible argue that it is wrong to consume the premium dollar with mere run losses and leave insufficient margins for great catastrophes.

Occurrences of this kind put into the shade some of the niceties of insurance rate making. When these catastrophes fall, the great comfort is in the fact that the insurance companies are possessed of resources to meet the cost without quibbling or embarrassment. A fractional saving in the premium end of the transaction is of slight consideration against the continued ability of the insurance companies to take staggering losses in their stride.

If the storm is as costly as it appears that it will be at first blush, probably all insurers will have to avail themselves of their catastrophe excess covers and this will help to even out their 1950 experience. However, this does not constitute a true shedding of liability because the rates for these covers fluctuate with the experience and the companies will have to pay for this year's losses under such covers in the years ahead and with a loading to boot.

Perhaps we should say this is the year of the "multiples." We have multiple line underwriting, the multiple location risk problem and the multiple gales.

### Wire Recorder Proves Its Value

The Indiana Life Underwriters Assn. at its recent midyear meeting made use of a wire recorder to keep a full, accurate and inexpensive transcript of the proceedings.

This seems like an excellent idea and one that might well be widely adopted by associations where a written transcript of the proceedings is not needed or would not justify the much higher cost of a written record.

There are several obvious advantages in having a wire or tape recorder, particularly where controversial questions are on the agenda, as they were at the Indiana midyear meeting. The electronic recording is an exact record of what was said; there can be no question of stenographic error. Even the speaker's

intonation is recorded, which might conceivably be as indicative of his meaning as his actual words.

Not the least important advantage of having such a phonographic recording is that it tends to curb irresponsible tongues. This may make the discussion somewhat less spicy than if there were no mechanical recording angel on hand, but in any organization with serious business to transact it is obviously more important for people to confine their utterances to what they are willing to answer for later.

An incidental but nevertheless welcome aspect of wire recordings that are not going to be transcribed is that their use discourages those mike hogs who seem to talk not only for the present

audience but for those who will later read the printed proceedings. Yet, if necessary, any portion of the wire recording can be transcribed.

Of course, precautions would have to be exercised in making such transcriptions. For example in case there should be a demand for a transcription it probably would be necessary to say that

the organization would allow a private transcription to be made only by a stenographer of its own choice and at the expense of the person wanting the transcription. A stenographer employed by someone interested in altering the record could distort what was actually said and then "accidentally" erase the original record from the wire or tape.

### What Decides An Employer to Hire

To assist themselves and their fellows in the process of getting a job at some future date, undergraduates of one college are preparing a booklet on the main characteristics and features of several businesses. This should be interesting and of some help.

It calls to mind the comment of an able exponent of selling, an insurance man. If a college graduate came into the office of his company and stated that he had studied selling and sales psychology and that he thought that with some training in the insurance line he could succeed in it, the company would welcome such an applicant with open arms.

This leads to speculation on what the essential elements are that decide an employer to hire a new employee, be he freshly graduated and looking for

his first job, or of greater maturity and looking for his third.

For any applicant, the judgment, we suspect, is based a good deal upon the attitude, or at least the conclusion of the employer as to what the attitude of the applicant is. Assume that the job applicant possesses certain basic qualifications. He is educated or experienced in the right fields, he has a sound character, he makes a reasonably good appearance.

Then the final decision, we believe, is strongly influenced, not by what the applicant knows, but by what he is willing to learn; not by what the applicant is, but by what he is eager to become; not by the smallness of salary at which he is willing to start, but by the employer's conviction of what he will become able to earn.

### PERSONAL SIDE OF THE BUSINESS

**James M. Murnane**, who has recently joined Camden Fire as special agent at Columbus, formerly was with Buckeye Union Fire. He is a graduate of Ohio State University and served in the navy.

Members of New York State Assn. of Insurance Agents have contributed a total of \$2,000 for **Jay Rose** of Buffalo, who was for 30 years secretary of the association. This will take care of the expenses covering Mr. Rose's recent three month illness and also enable Mr. and Mrs. Rose to have a vacation in Florida. The check was presented to Mr. and Mrs. Rose on their golden wedding anniversary.

**C. Fred Ritter** of Middletown, who is chairman of the finance committee of New York State Assn. of Insurance Agents, is being installed as president of New York State Assn. of Real Estate Boards at a luncheon meeting at Albany, Dec. 1.

**A. J. Meyer**, veteran Illinois state agent for Automobile of Hartford, is recovering at Augustana hospital, Chicago, from a serious operation performed Nov. 22. He cannot as yet receive visitors, but his condition is good and he is convalescing satisfactorily.

Margareta Louise Miller, daughter of **Leo B. Miller** of Detroit, state agent for the Mesoerole companies, and Mrs. Miller, was married to John T. Dancer, son of Mr. and Mrs. Paul C. Dancer of Stockbridge, Mich. The wedding

was at Franklin Community Church at Franklin, Mich. Both Mr. and Mrs. Dancer are graduates of Michigan State College.

**Melvin F. Lanphar**, Detroit local agent, who has been giving much time in connection with the naval reserve program, has been appointed "honorary recruiter."

**Bernard W. Roos**, vice-president of Associated Agencies of Chicago, has just returned from a European business trip. He flew to London, to Zurich and to Paris.

**Ralph Tanger**, marine manager at the head office of Security of New Haven, underwent a severe abdominal operation.

**George B. Butterfield**, secretary of Hartford Accident, and **Charles E. Hedges**, president of American Mutual Liability and of American Mutual Alliance, have been elected directors of American Standards Assn.

**Ralph W. Lee & Co.**, of Washington, will celebrate its 50th anniversary Dec. 1, with a cocktail party at its offices at 1508 L street.

**Bert A. Hedges**, Kansas manager of Business Men's Assurance at Wichita, and Mrs. Hedges, who were both seriously injured in an automobile accident near Joplin, Mo., last month are both now well on the road to recovery, with no serious permanent impairments. Mr. Hedges is under orders to stay in bed until around Dec. 15 with a weight

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hanging from one leg while a broken hip socket mends. However, with a telephone and dictaphone at his bedside, he reports he is at least 75% back on the job.

Commissioner Frank Sullivan of Kansas was a novice in the Mystic Shrine class of Arab Temple at Topeka.

While returning from a University of Oklahoma football game at Norman, Ralph Russell, Donald McFarlane and Howard Austin, all with the Oklahoma department, were injured in a collision. All were taken to a hospital. Messrs. Russell and McFarlane, who were quite seriously hurt, are reported improving. Mr. Austin, who suffered minor injuries, has been released from the hospital.

## DEATHS

**OSCAR W. CARLSON**, 69, former Utah commissioner, died at his home at Salt Lake City after a long illness. He was an attorney, active in civic affairs and had held a number of public offices in addition to his service as commissioner. At the time of his appointment in 1941 he was the Republican member of the Utah business regulation commission, which at that time had supervision over the insurance department. He was a student of insurance matters and was regarded as being eminently fair in his decisions as department head.

**FREDERICK A. AYRES**, former deputy examiner of the Nebraska department, died at his home at Lincoln. He had also served as state auditor and deputy secretary of state. He was a former newspaper man. He was 76.

**FRANK H. CAUTY**, 82, who retired in 1929 as United States manager of Thames & Mersey and North China companies and as marine manager of Liverpool & London & Globe, died in



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his home at Santa Barbara, Cal. He was the brother of Sir Arthur B. Cauty, chairman of the British National Marine Board in 1934-1946 and a steamship and marine insurance leader in England.

In addition to serving on many important committees, Mr. Cauty was at the time of his retirement a director of American Institute of Marine Underwriters and of Board of Underwriters of New York. He was also treasurer of the former National Board of Marine Underwriters and of the Board of Underwriters of New York which merged with the National Board in 1921.

**JAMES T. LAIDLAW, JR.**, owner of Universal Adjustment & Inspection Co. of Kansas City, died at Providence hospital at the age of 41. He was a regional vice-president of National Assn. of Independent Insurance Adjusters. He had a law degree from Kansas City school of law. He purchased Universal Adjustment in 1935. He was a veteran of the last war.

**LLOYD E. DOUGLASS**, vice-president and general manager of Consolidated Service, Detroit agency, died at his office. He went to Detroit 25 years ago. The agency is primarily a fire and casualty organization but is also general agent of Minnesota Mutual Life.

**HAROLD R. CURRY**, 60, secretary and director of the Lanphar agency of Detroit, died of a heart ailment while visiting friends at Mt. Clemens, Mich.

**ALSON W. SHERMAN**, 72, a broker with the Critchell-Miller agency of Chicago for 51 years, died in an Evanston hospital. Before joining the Critchell-Miller agency Mr. Sherman was associated with his brother-in-law, Robert M. Magill of the Wiley, Magill & Johnson agency in Chicago. His grandfather, Alson S. Sherman, at one time was mayor of Chicago and was a founder of Northwestern University.

**FRANK J. KLEIN**, 71, for many years an agent and director of Cook County Farmers, died at his Chicago home following a lengthy illness.

**CLARENCE L. BROSIUS**, 62, for many years associated with his brother, Frank Brosius, Wichita agent, died at Tulsa, Okla., where he had gone to spend Thanksgiving.

**DAVID M. RUMSEY**, 83, former local agent at East Aurora, N. Y., died at Jamestown, N. Y. He retired some years ago.

**THOMAS S. BURKE**, 56, local agent at Independence, Ia., died there.

**PETER A. HEFFERN** of the Peter A. Heffern & Son agency, Green Island, N. Y., died after a long illness. He had been in the insurance business 40 years.

**RAYMOND C. HUGHSON**, 51, chief automobile underwriter for the Albany office of Aetna Casualty, died at Chatham, N. Y. He had been with the company 25 years.

**V. J. KOHOUT**, 71, Willber, Neb., local agent and former mayor, died there.

## Mass. Brokers Ask for Harrington Retention

Harold W. Canavan of Revere, member of the lower house of the Massachusetts legislature, has been quoted as "charging" that insurance representatives are making a drive to retain Insurance Commissioner C. F. J. Harrington in office. Canavan was author of the referendum for a flat statewide rate for compulsory automobile liability insurance that was defeated in the Nov. 7 election. He declared that insurance brokers are being used to write or wire Gov. Dever to reappoint Mr. Harrington, whose term expired last April 7 and who has been a hold-over since then.

H. A. Reardon, president of Insurance Brokers Assn. of Massachusetts, has officially called on Gov. Dever to continue Mr. Harrington in office. He declared that Mr. Harrington is one of the ablest ever to occupy that position and he said insurance men "feel secure with Frank Harrington as commissioner because he really knows the business from the ground up and he has shown that in fulfilling his duties as commissioner, he plays no favorites and does not jeopardize the legitimate interests of those in the business."

## Wash. Seeks '53 NAIA Meet

WASHINGTON — District of Columbia Assn. of Insurance Agents' board of trustees has voted to invite the National association to hold its 1953 annual convention here. Indications are that the invitation will be accepted.

The board also approved the plan of its publicity and advertising committee for an institutional advertising campaign in Washington newspapers, to publicize importance of agents and brokers handling insurance problems.

**WADE L. JONES**, 67, for 15 years a local agent at Tecumseh, Mich., died at his home there of a heart ailment.

## GULF FETES CHARTER AGENTS AT 25-YEAR ANNIVERSARY RITES



VIEWS AT DINNER MARKING 25th anniversary of Gulf: Upper left, Paul J. Brown, fire insurance commissioner of Texas; J. B. Adoue, chairman of Gulf; Joseph H. Gibbs, Texas casualty commissioner; T. R. Mansfield, president, and R. H. McKenzie, first vice-president.

Lower left: Kellum Johnson, treasurer; John Bettz, assistant secretary; J. D. Daniels, vice-president; W. H. Mansfield, secretary, and C. B. Mansfield, assistant treasurer.

Gulf of Dallas gave recognition to its charter agents with a dinner celebrating the 25th birthday of the company.

Most of the 34 men who have represented the company in their home areas continuously since the founding, were present. Each was presented an electric chime clock with engraved name plate by T. R. Mansfield, president of Gulf and Atlantic.

Also present were directors, officers and stockholders of the companies and Fire Commissioner Brown and Casualty Commissioner Gibbs of Texas.

Gulf was founded by the late George

W. Jalonick, Jr., and Mr. Mansfield, both of whom severed previously established insurance connections to direct affairs of the new venture.

The company grew steadily and in 1929 Atlantic was formed. Consolidated assets of the two companies at the close of the current year will approximate \$19 million with premium volume of about \$11½ million.

Mr. Jalonick was first president of Gulf, with Mr. Mansfield as secretary. Edgar L. Flippin was second president, but upon his resignation to become president of First National Bank, Mr. Mansfield succeeded him.

Year in and year out  
you'll do well with the

**HARTFORD**



**HARTFORD POLICY**

—to deal fairly  
—to act courteously  
—to show a sincere  
desire to please—  
at all times and under  
all circumstances.

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**The AMERICAN APPRAISAL Company**

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## **AMERICAN GLASS COMPANY**

THE REASON why State Street merchants call MOhawk 4-1100 immediately for glass replacements is obvious . . . They are fully aware of the fact that prompt action is vital not only to save damage from the weather but also because window displays attract customers. We also keep a well-balanced stock of

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glass so we can replace the largest store windows promptly.

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## Mass. Hearing on Auto Rates Is Tumultuous

### Boston Mayor Objects to Expense Loading on Percentage Basis

The hearing Monday on the proposed rates for compulsory automobile bodily injury liability insurance in Massachusetts, which was held at Boston, was a tumultuous session. Commissioner Harrington had to rap for order several times as the session grew more and more heated.

Mayor Hynes of Boston submitted a letter through the city law department, complaining that the insurance company costs are loaded into the rates on a percentage basis. He said that the expense loading is 34% and that means that under the tentative rate schedule, a Boston car owner would pay \$18.90 for such expense whereas the motorists in the minimum rate areas would pay only \$5.40 for the same service.

"Obviously," the mayor declared, "that is patently unfair and is a situation which should be corrected immediately."

### Wants Rates Recomputed

Mayor Hynes asked that the tentative rates be held up and recomputed on the basis of a new formula which would "evenly and equitably" assess the administrative costs against all the cities and towns.

Mr. Harrington, in opening the hearing, declared that the rates are "sound and fair." Some 500 pounds of records and statistics were admitted in evidence.

Arthur J. Roche, chief examiner for the insurance department, was bombarded with questions by Francis Gregory, city solicitor of Chicopee; State Representative Louis H. Glazer of Malden; Harold W. Canavan of Revere, who was author of the initiative for a flat automobile insurance rate throughout the state, that was defeated Nov. 7.

Canavan inquired whether there had been overestimates generally by insurance companies of loss reserves. Roche replied that on the first reporting there has been overestimation. In answer to a question, he said the total losses in 1941 plus reserves for pending claims were \$18,983,000 and the figure fixed by the insurance department as losses in 1941 was \$17,825,000. He went through the same trial year by year and tried to get across the impression that this overestimate results in an additional profit for the insurers. Roche insisted that that is not true.

### Timing of Announcement

Canavan inquired why the proposed new rates were not announced prior to the election on Nov. 7. One of the department men replied that the necessary reports were not at hand. Eldridge W. Campbell of Worcester at that point suggested that there ought to be a legislative investigation on why the rates were not ready earlier.

Mr. Harrington interrupted at one point to say that he could not get the rates out until Nov. 10 and at that, John Wells, governor's councilor-elect, said: "Yes, but there was a referendum. Wasn't that the reason?"

Canavan asserted it was Harrington's duty to announce the rates and he said he is confident that the rates were in

## Long Island Wreck Liability Cost May Exceed \$2 Million

NEW YORK—The liability cost of the Long Island railroad wreck at Richmond Hill, Queens, that killed 77 and injured 300 may run more than \$2 million. The railroad, which was in the hands of trustees at the time of the wreck, carried \$1 million of coverage in London Lloyds over a substantial deductible, said to be \$250,000.

This was the amount in effect in February when 33 were killed and scores injured near Rockville Center, L. I. That amount, it is said, was paid out by Lloyds, with the railroad paying out a great deal more than its deductible. As a matter of fact, reports of amounts of insurance with Lloyds far greater than \$1 million, some of them up to \$10 million, which were circulating after the February wreck, greatly increased the size of some claims and possibly added to the number filed against the railroad.

Claims and suits as a result of the Rockville Center crash still are being processed. On Nov. 15 the family of an associate editor of Time magazine, who was killed in the crash, got a \$150,000 out of court settlement. This was said to be the largest settlement since the crash. The attorney who secured the settlement was killed in the wreck at Richmond Hill. His law partner is now preparing a suit for damages as a result of that death.

Testimony at inquiries now being made into the cause of the Richmond Hill wreck indicate that the brakes on the forward train, which had stopped on signal and then was unable to disengage its brakes and proceed, were not thoroughly inspected before the trip. The following train, an express, running a reported 60 miles an hour through a signal zone, crashed into the rear of the stalled local.

Mr. Harrington's possession and could have been announced prior to the election. Harrington stoutly denied that.

Judge Harold P. Williams of the Massachusetts supreme judicial court on Monday, denied a petition on behalf of a resident of Dorchester to restrain Commissioner Harrington from putting the rates into effect. He charged that the rates were discriminatory and unfair and asked that Mr. Harrington be ordered to review the schedule. A hearing on the merits of the petition will be heard later.

Attorney R. Ammi Cutter, counsel for Massachusetts casualty companies, was quoted the other day as stating that the insurance companies for the third successive year had asked the Massachusetts department to approve the automobile classification plan that is in use in 43 states.

At the same time he was quoted as stating that the proposed 1950 rates on the average are 6.5% below the 1941 rates.

Milton G. McDonald, chief casualty actuary of the Massachusetts department, testified that insurance premiums collected for the five year period on which the 1951 rates were based totaled \$116,384,375 and loss payments were \$76,765,613. These were years 1941 and then 1946-49 inclusive, the war years being omitted.

Canavan declared the insurance companies spent \$1 million to defeat the flat rate proposal.

At an evening session the classification rate plan based in part on age of drivers was outlined by Attorney Cutter. He said that this plan would not change the total premiums called for in the proposed 1951 rates but the costs would be reduced by 7.11% for those in class 1.

## New Qualifying List Put Out by Treasury

The so-called October list of qualifying powers of surety companies for the writing of bonds running to the U. S. government has been published by the Treasury Department. Three companies, Transportation, Auto-Owners of Michigan and Springfield F. & M. have been newly approved. The list is based on the midyear statements of the companies and the qualifying powers are 10% of surplus to policyholders.

While substantial increases in the accumulative underwriting limitations for the October list are not as great as those which appeared in the April list. The latter list is based on the companies' annual statements.

Following are shown the qualifying powers in the October, 1949, list along with the 1950 figures for April and October.

	Oct., '49	Apr., '50	Oct., '50
*Acc. & Cas.	282,000	323,000	298,000
Aetna Cas.	4,053,000	4,615,000	4,813,000
Amer. Auto	1,973,000	2,092,000	1,993,000
Amer. Bond	25,000	261,000	263,000
Amer. Cas.	417,000	503,000	536,000
Amer. Empapl.	817,000	948,000	997,000
Amer. Fidelity	144,000	184,000	150,000
Amer. General	411,000	465,000	501,000
Amer. Guar.	271,000	246,000	273,000
Amer. Indemn.	239,000	230,000	248,000
Amer. Motor	300,000	350,000	350,000
Am. Mut. Liab.	1,772,000	1,872,000	1,841,000
Amer. Reins.	1,237,000	1,402,000	1,493,000
Amer. States	266,000	314,000	372,000
Amer. Surety	1,978,000	2,203,000	2,194,000
Anchor Cas.	193,000	217,000	250,000
Assoc. Indem.	743,000	732,000	701,000
Auto-Owners			537,000
Boston		2,235,000	2,351,000
Buckeye Union	215,000	238,000	303,000
Camden Fire		854,000	956,000
*Car & Gen.	177,000	187,000	200,000
Carolina Cas.		53,000	55,000
Cent. Surety	505,000	543,000	545,000
Century Indemn.	641,000	885,000	812,000
Columbia Cas.	457,000	488,000	479,000
Comm. Cas.	536,000	738,000	823,000
Comm. Stan.	173,000	200,000	207,000
Cont. Cas.	2,769,000	2,911,000	3,037,000
Empl. Cas.	299,000	337,000	340,000
Empl. Fire		486,000	539,000
*Empl. Liab.	1,960,000	2,014,000	2,122,000
Empl. Mut. Ia.	389,000	429,000	475,000
Empl. Mut. Wis.	1,499,000	1,577,000	1,471,000
Empl. Rein. Mo.	1,119,000	1,277,000	1,317,000
Eureka Cas.	133,000	146,000	133,000
Excess	200,000	200,000	220,000
Farm. El. Mut.	37,000	39,000	39,000
Fid. & Cas.	3,410,000	4,373,000	4,508,000
Fid. & Dep.	2,217,000	2,319,000	2,429,000
Fire Assn.		1,636,000	2,084,000
Fire Fund. Ind.	924,000	1,298,000	1,410,000
Founders F.M.	267,000	277,000	305,000
Gen. Can. Ga.		33,000	35,000
Gen. Cas. Wash.	504,000	508,000	550,000
Gen. Rein. N. Y.	1,583,000	1,822,000	1,958,000
Glens Falls	894,000	913,000	964,000
Globe Ind.	2,165,000	2,448,000	2,347,000
Granite State		242,000	276,000
Great Am. Ind.	1,064,000	1,405,000	1,378,000
*Guar. of N. A.	160,000	164,000	171,000
Hartford Acc.	4,994,000	6,223,000	6,461,000
Hawkeye-Secur.	92,000	98,000	185,000
Home Indemn.	719,000	789,000	754,000
Houston F. & C.	155,000	176,000	221,000
Indemn. N. A.	2,451,000	3,086,000	3,159,000
*Ina. Co. N. A.	12,182,000	15,487,000	16,187,000
Internat'l Fld.	196,000	194,000	195,000
Kan. Bk. Surety	65,000	65,000	66,000
Kan. City F.M.	156,000	171,000	175,000
Liberty Mutual	3,857,000	3,864,000	3,812,000
*London Guar.	777,000	789,000	758,000
Lord. & Lanc.	305,000	342,000	347,000
Lumb. Mu. Cas.	1,300,000	1,500,000	1,500,000
Maine Bond.	76,000	82,000	85,000
Mfrs. Cas.	560,000	571,000	519,000
Md. Cas.	2,385,000	2,965,000	2,934,000
Mass. Bond.	1,262,000	1,414,000	1,367,000
Merch. Ind.	425,000	460,000	480,000
Metrop. Cas.	526,000	674,000	748,000
Natl. Auto.	258,000	255,000	240,000
Natl. Grge. Mut.	375,000	450,000	450,000
Natl. Rein. Ind.	211,000	255,000	284,000
Natl. Surety	2,090,000	2,316,000	2,323,000
Newark Fire		747,000	767,000
New Am. Cas.	1,856,000	2,023,000	2,077,000
New Eng. Cas.	247,000	213,000	172,000
N. Hamp. Fire.		875,000	1,011,000
N. Y. Cas.	395,000	454,000	458,000
N. A. C. & S. Re.	283,000	287,000	1,053,000
N. W. Cas.	297,000	330,000	256,000
*Ocean Acc.	751,000	739,000	775,000
Ohio Cas.	600,000	700,000	800,000
O. Farm. Ind.	185,000	222,000	225,000
Old Colony		919,000	940,000
Pac. Empl.	326,000	396,000	385,000
Pac. Indem.	969,000	1,129,000	1,187,000
Peerless Cas.	304,000	327,000	339,000
Phoenix Ind.	455,000	459,000	426,000
Preferred Acc.	208,000	502,000	408,000
Royal Ind.	1,891,000	2,659,000	2,571,000
St. Paul-Merc.	1,073,000	1,110,000	1,147,000
Seaboard Surety	613,000	688,000	723,000
Sprgfd. F. & M.		2,697,000	2,697,000

## View Future of Auto Line with Some Trepidation

### Explosive Factors of an Adverse Nature are Eyed—1950 Record Worse

Company management is giving a lot of attention these days to the automobile third party liability situation, not only in respect of what the figures show, but what omens there may be for the future in the fundamental economic situation.

One thing can be said with authority at this time and that is that the cycle of rate reductions has come to a close. It is known that independent companies that have been pioneering rate reductions and have kept the pressure on in this direction have called a halt on this program. One such company says that on the basis of the mathematics of the situation, further rate reductions would be in order in some places and if other things were equal, the company would reduce its rates accordingly. But it confesses that other things are not equal.

What is feared is inflation and other concomitants of a warfare economy. All companies find that this year there has been an increase in accident frequency and that is responsible for a worsening of loss ratios, that plus the reduced rates. However, the worst threat is an increase in severity. So far the evidence is not conclusive on that score. Some companies say their experience does not indicate any increase in severity to speak of this year, but there are plenty of explosive factors that could breed severity and these are causing even the boldest underwriters to stop, look and listen.

### Wage Increase Factor

Of course, there is the fact that the current wave of wage increases, plus the possibility of overtime work returning in large measure again may push the bodily injury liability claim values even higher. Then so far as property damage is concerned, there is the possibility of garage labor being drained off into war work and competition diminishing or disappearing entirely in the garage and repair field. That was the main factor in making

(CONTINUED ON PAGE 20)

Stand. Acc.	1,946,000	2,055,000	2,068,000
Summit F. & S.	35,000	36,000	37,000
Sun. Indem.	274,000	325,000	305,000
Texas Ind.	49,000	51,000	58,000
Traders & Gen.	149,000	157,000	166,000
Transit Cas.		90,000	102,000
Transportation			233,000
Travelers Ind.	2,200,000	2,700,000	2,700,000
Trinity Univ.	401,000	427,000	503,000
Tri-State		89,000	97,000
United Nail.	300,000	300,000	300,000
United Pac.	334,000	359,000	379,000
U. S. Cas.	730,000	801,000	828,000
U. S. Guar.	1,468,000	1,665,000	1,737,000
U. S. F. & G.	3,999,000	4,727,000	6,061,000
Va. Surety	65,000	72,000	82,000
West American	140,000	145,000	148,000
West. Cas. & Sur.	217,000	253,000	397,000
West. Natl. Ind.	206,000	236,000	344,000
Western Surety	145,000	141,000	177,000
Yorkshire	146,000	158,000	158,000

\*Companies qualified for reinsurance only.  
†After reinsurance of European General Re.

WASHINGTON—The Treasury has issued a certificate of authority for Swiss Reinsurance only for reinsurance of bonds to government, with underwriting limitation of \$1,213,000.

## Confer on Joint Rating Plan Reactivation

WASHINGTON—Thomas L. Kane, Department of Defense insurance director, Tuesday conferred with a casualty committee of six headed by William Leslie and including Howard Starling, Washington representative, Assn. of

WASHINGTON—The casualty industry committee submitted its preliminary proposal for a joint rating plan to Mr. Kane at a conference attended by about 25 including four company representatives, various government officials and heads of the three department insurance divisions, also John Small, chairman munitions board, under whom Mr. Kane will function.

The preliminary plan is based on the same general idea as the wartime rating plan, Mr. Kane said. However, certain percentage figures now proposed differ from those in that plan. These and other details were discussed at length at the conference.

The committee will put the plan in final form and submit it with basic supporting data as soon as practicable, and copies will go to the department insurance divisions for comment.

Casualty & Surety Companies, and George C. Peterson, vice president Travelers, and two mutual representatives, about reactivation of the joint rating plan.

The department urged casualty representatives to come in as soon as possible, it is understood, but their coming was voluntary. The department is anxious to get the joint rating plan operating again with respect to defense contracts on a cost-plus-fixed-fee basis. It was claimed to have saved the government a lot of money during the last

war. Since then application of the plan has been limited principally to overseas military construction contracts. The conference was explanatory, no completed plan being submitted.

Mr. Kane had received by Monday acceptance from three persons invited to serve on his insurance advisory committee. Other invitees were reported delayed in accepting by the necessity of filling in certain forms reported required in the loyalty checking of appointments to government service generally.

Mr. Kane will have the help not only of an insurance advisory committee or board referred to in the official announcement of his appointment, but, according to present plans, of committee representatives of various segments of the insurance business. The board will be composed of non-federal government people.

A number of industry representatives will hold one or a series of meetings, out of which it is expected special committees will be named to work with defense on insurance problems. The committees will represent casualty, surety, fire, compensation, liability, auto, and perhaps marine, life, accident and health, according to report. Just how many have been proposed is not known.

Meanwhile, Mr. Kane has extended written invitation to five persons to serve on the insurance advisory board. All reportedly had signified willingness to serve in advance of the invitation, but no hard and fast acceptances had been received to this writing.

It is reported the following were invited to serve on the advisory board: Reese F. Hill, president Carolina Casualty; Clayton G. Hale, Cleveland; Commissioner Ellery Allyn, Connecticut; Prof. Ralph Blanchard, Columbia University; Walter Lund, Gulf Oil Co. However, their appointments were not confirmed in advance of official announcement of acceptance of invitation.

Col. Hill headed the War Department contract insurance division during the last war and was instrumental in connection with development, adoption and administration of the war projects joint rating plan applying to defense contracts. Mr. Hale, a broker, served as insurance consultant to the Defense Department recently, and is credited with having been one cause of appointment of Mr. Kane.

Mr. Lund will bring to the advisory board the point of view of big industry.

## Traffic Deaths Up 12% in October

The upward trend in traffic deaths continued in October, National Safety Council reports. It was the 11th consecutive month to show an increase.

Traffic fatalities rose to 3,440 in October—12% more than for the corresponding month last year. That boosted the 10-month toll of traffic victims to 28,020, which was 11% greater than the 10-month total a year ago.

The October figures are based on reports of 44 states. Of these 25 reported more deaths than for October of last year, 15 showed fewer deaths, and four had no change. For 10 months, 36 reported increases, only seven had decreases, and one was unchanged. The seven states which reported decreases for 10 months were: North Dakota, Vermont, Maine, Oklahoma, Minnesota, Pennsylvania and Arkansas.

Of the 415 cities reporting for October, 98 showed increases and decreases were recorded by 94, while 223 reported no change.

## N. A. Accident Concludes Regional Convention Series

North American Accident has concluded its 1950 series of four regional conventions, held in various parts of the country with more than 350 agents as guests.

In May the first regional conference was held at the General Oglethorpe in Georgia for the southeastern division, followed in June by the midwest conference at Three Lakes, Wis. In September the third conference took place for the eastern division at Poco on the Man, and October brought the western division together at the Alisal Ranch near Santa Barbara, Cal.

Attendance at these conventions is on a production basis, and the number qualifying for 1950 conventions was highly gratifying.

These conferences combine a series of sales meetings in both the life and A. & H. fields. E. H. Thompson has attended the conferences as agency consultant in the life program with highly successful results. He represents Bowles, Andrews & Towne of Richmond.

## Felthouse in New Post

Nelson & Killian, independent adjusters of Detroit, have appointed S. N. Felthouse as an associate. Mr. Felthouse has been with Underwriters Adjusting at Detroit for many years.

## Hear Municipal Judge

Insurance Club of Minneapolis heard Municipal Judge Paul J. Jarosak on "Human Nature As I Have Seen It from the Bench." The program was in charge of Aetna Casualty.

## Carl Barrett Charges

The report of the receiver of Illinois Auto Club charges that C. A. Barrett made enormous personal gains during the years that he served as president of the club. Set for trial Jan. 15 are criminal proceedings against Barrett, Miss Evelyn Marks, his secretary and former secretary of the club, and William L. McFarling and Paul Temple,

who took over control of the club in 1949. They are charged with embezzlement and conspiracy.

The receiver charged that Barrett got 25% or more commissions on premiums paid to his privately owned Club State Agency, Inc., from policies in U. S. Mutual. Also it is charged, Barrett caused \$217,889 of club money to be advanced on poor security to U. S. Mutual after the insurance department had warned that it was impaired. U. S. Mutual was ordered to cease business last January because of a deficit of \$322,266. The other items in the report deal with non-insurance activities in connection with the club.

## Nelson to Be Compensation Consultant in New Jersey

TRENTON—Harry A. Nelson has been engaged as a consultant to speed up New Jersey's workmen's compensation system. He will study New Jersey laws, procedures, and records with a view of making recommendations to break a backlog of more than 7,000 disputed compensation cases in the state.

Mr. Nelson has been workmen's compensation director in Wisconsin since 1931 and will continue in that position while acting as a consultant in New Jersey. His fees will be \$100 a day, plus traveling expenses, with the maximum not to exceed \$5,000 a year.

## Mutual Agents' Committee Chairmen Are Announced

President Robert E. Hill of National Assn. of Mutual Insurance Agents has announced chairmen of the association's standing committees.

The committees and their chairmen are: Public relations, John H. Kroll, Washington; special projects, Fred Lagerquist, Atlanta; fire and accident prevention, Elliot P. Curtiss; national affairs, Raymond B. Humpreys, Huntington, W. Va.; company relations, Charles M. Boteler, Washington.

## Md. Casualty Has K. C. Meet

Maryland Casualty held a regional sales meeting at Kansas City which drew 87 agents. The program, which featured talks by a number of home office men, luncheon and a cocktail party, was the same as those held at the Chicago and St. Louis regional meetings. Harry F. Parker, resident manager at Kansas City, was host.

## Buyers Hear W. R. White

Walter R. White, Jr., vice-president of Lumbermen's Mutual Casualty, spoke at the Nov. 28 meeting of the St. Louis Insured Members Conference on boiler and machinery insurance.

## Cannon Ind. State Agent

Citizens National Casualty of Indianapolis has appointed Howard F. Cannon state agent for Indiana.

Mr. Cannon was formerly an underwriter for Allstate and Dearborn National. He was Indiana manager for Dearborn National for about two years and since June has been underwriter in the Indiana branch office of Manufacturers Casualty.

In addition to his duties as state agent he will assist in the management of underwriting for the company.

Eureka Casualty has increased salaries 5% effective Nov. 1 and is giving a 5% bonus, payable Dec. 15 to all officers and employees.

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## National Fire Group Enters A. & H. Field

National Fire group has organized an A. & H. department and appointed Donald G. Parker as superintendent.

Since United National Indemnity was organized in 1944, the group has concentrated on developing casualty and fidelity and surety lines, and now offers facilities for A. & H. and statutory benefits to agents of all companies in the group. Announcement was made only recently that National Fire companies had joined Bureau of A. & H. Underwriters.

Mr. Parker, a graduate of Wesley University, started in the A. & H. business with Travelers and later was with Phoenix Indemnity. More recently he has been with Accident & Casualty as superintendent of the A. & H. department. He served as vice-president of A. & H. Club of New York in 1949.

### Study Plan to Make \$10,000 Auto PD Cover Basic

Some of the automobile insurers are giving serious thought to the idea of making \$10,000 property damage cover basic. This is because the companies are getting many requests to increase P.D. from \$5,000 to \$10,000 and the few pennies of rate increase is not sufficient to cover home office handling charges.

The demand for increased P.D. limits apparently comes from the larger number of tractor-trailers, expensive trucks and buses which when damaged result in larger property damage claims. Also the fact that it takes about \$10,000 today to pay for what would have been about \$5,000 property damage 15 years ago.

### Await Report of N. D. Study of Canadian Socialism

The North Dakota legislative research committee has not had a meeting since returning from its visit to Regina to look into the Saskatchewan socialistic automobile insurance schemes. The committee was aided during that visit by Arthur Bailey, casualty actuary of the New York department, and H. E. Curry, actuary of State Farm Mutual Automobile, they acting as consultants for purposes of that study. The committee members are close-mouthed, but observers believe that the majority of the committee is not enthusiastic about the idea of setting up new government insurance schemes. However, it is expected that the committee will make a report to the legis-

### Wins PR Award



Griffith G. Levering (right), Philadelphia resident vice-president of Lumbermen's Mutual Casualty, receives a silver anvil, top award of the American Public Relations Assn., for L.M.C.'s public relations campaign against "teenicide." The award, being presented by Edward Lyman, APRA president and assistant to the president of Fordham University, was given for "outstanding public relations achievement in the banking, finance and insurance fields."

lature in January. The North Dakota house is controlled with a substantial majority by the conservative element and those familiar with the North Dakota climate do not fear enactment of any drastic laws for state-owned or controlled businesses during the next session.

### American Mutual to Pay 15% Dividends Jan. 1

American Mutual Liability has announced that dividends on January expirations will be 15% on all lines except group A. & H., which is written on a retrospective plan. This is a reduction of 20% on all business except automobile on which the company currently is paying 10%.

The action of American Mutual is somewhat similar to that already taken by Employers Mutual Liability, Liberty Mutual, and Hardware Mutual Casualty. By Jan. 1 all four companies will be employing a 15% dividend on workmen's compensation instead of 20%.

### Minn. Boosts Rates 8.2%

ST. PAUL.—The Minnesota compensation insurance board has approved an

increase of 8.2% in rates for 1951. The insurers had proposed an increase of 10.6% while employers argued for a reduction of 6.9%.

For the first time the board allowed a profit and contingency factor in the formula for projecting rates. In granting the increase the board took into consideration increased costs of medical and hospital care. It is estimated the new rates will yield the companies \$1 1/4 million more in premiums based on an annual volume of approximately \$15 million.

### Recommend New Standard Auto Policy for Canada

TORONTO—Assn. of Superintendents of Insurance of Canada has recommended adoption of a new standard automobile policy which will conform closely with the U. S. policy and make auto travel between the two countries more simple from an insurance standpoint. The policy is expected to be adopted in all provinces except Quebec and Newfoundland.

Contained in the new policy are the following additional coverages: Medical payments, comprehensive, pleasure trailer, newly acquired and drive other

car features, and radios. These coverages are available under the present auto policy through endorsement at an extra premium.

There still remain minor differences between the Canadian and U. S. policies. Instead of being covered specifically, radios under the U. S. form are automatically covered under the permanent equipment clause. The Canadian policy expressly forbids use of the car to carry explosives or as a taxicab. No such exclusion is mentioned specifically in the U. S. policy.

The superintendents seem to have taken the position that medical payments coverage is accident insurance inasmuch as they suggested that "insurance under this section shall be independent of any other accident insurance."

### Dividend Is Increased

WASHINGTON—Government Employees Ins. Co. has increased the dividend from an annual rate of \$1 to \$1.20 a share. It adopted a policy of quarterly dividends instead of semi-annual. A quarterly dividend of 30 cents per share was declared payable Dec. 22 to stock of record Dec. 15. Previous 1950 dividends were regular semi-annuals of 50 cents paid in January and July.

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# ACCIDENT AND HEALTH

## Analyze A. & H. Market, Schwemm Advises Salesmen

The salesman of A. & H. today is wise to study outside influences upon his market and then to concentrate on conclusions from this study, Earl M. Schwemm, manager for Great-West Life at Chicago, declared at a luncheon of Chicago A. & H. Assn.

Mr. Schwemm said that A. & H. salesmen evaluating the field will see a great potential market among women, with some 20 million women working. He maintained that the A. & H. salesmen have made few attempts to cover

almost a third of the labor force.

Similarly, Mr. Schwemm indicated that parents should buy accident insurance on juveniles for the same reasons they have been buying juvenile life insurance.

The medical association campaign for the American way, the government publicity for health coverage, the number of new companies entering the A. & H. field, have combined to put A. & H. in the public eye, the speaker declared.

A logical approach is for the salesman to emphasize that the man without A. & H. coverage, who becomes ill, pays the expense of his illness out of taxed dollars. If he has A. & H. insurance, he gets the benefits tax-free. Inflation offers the agent the chance to re-emphasize the increased cost of accidents and sickness to raise his clients'

existing protection to realistic levels.

Our dollar economy forces A. & H. coverage on the individual if he is to have the necessary dollars when he is prevented from working. This economic pressure is more effective than a trite sales talk, Mr. Schwemm declared.

The speaker made the point that the armed service veteran is frequently a better prospect for A. & H. than he is for life insurance, because he does not have a service-connected A. & H. policy. Likewise many a young person is an excellent prospect for A. & H., where he has little need or ability to pay for any other type of coverage.

Mr. Schwemm urged that A. & H. salesmen get away from being more interested in dollars made than service rendered and cease trying to sell the policy as containing more than is actually in it.

ing the association, has caused extensive investigations to be made of its activities and has received numerous statements from individuals, organizations and governmental agencies concerning these activities, on which he based his order.

It is one of the California hospital and medical associations not under the supervision of the insurance department which have been a serious problem to insurance for years. In the present case it is stated that its certificates of membership contain provisions that embody some of the standard A. & H. policy provisions and thereby bring it under the classification of organizations amenable to regulation.

## Two New Group Hospital Admission Plans Set Up

Two new group hospital admissions plans have been set up through the cooperation of Health Insurance Council and the hospital associations of the areas involved.

The one for San Francisco, Oakland and other cities in the San Francisco bay area, which went into effect this week, follows very closely in its plan of operation that for Greater New York, which was installed some time ago. There are 35 hospitals cooperating in the plan.

Another for Minneapolis and St. Paul becomes effective Dec. 4. It is practically the same as those for St. Louis, Milwaukee and New Jersey, with 32 hospitals there cooperating.

## Study TDB Changes in N. J.

New Jersey bills proposing an increase in the maximum benefit for unemployment compensation and disability benefits, change in the formula for determining benefits and basic changes in administration, including requirements for reporting by employers under the temporary disability benefits law will be taken up at a public hearing at Trenton Dec. 20. The hearings will be conducted by the New Jersey commission to study employment security laws. The commission will report to the 1951 legislature.

## Null Kansas Assn. Speaker

Kansas A. & H. Assn. met Nov. 27 at Wichita with Harold Null of Null Investment Co. as speaker.

Dr. Ralph Gampell of San Francisco will speak at a joint meeting with the Wichita Rotary Club Dec. 13.

## Hear Quigley at Los Angeles

Harvey Quigley, Mutual Benefit H. & A., San Francisco, International association zone chairman, addressed A. & H. Underwriters Assn. of Los Angeles on the necessity for growth of local associations in order to have a stronger International association. He urged that disability men must be more diligent in letting the public know what the business does for it.

A committee was named to arrange for a Christmas party for the benefit of some worthy charity.

## Sets Polio Sales Record

Johnson & Adams, general agency at Washington, D. C., for Continental Casualty, has been informed by Continental that the agency issued and serviced more polio policies in two consecutive months than any other general agency in the country, regardless of size or territory. The record was set during the heavy polio months. Continental is one of the largest polio insurance writers.

## Wins First Cal. Approval

Mutual Benefit H. & A. is the first company to receive approval of its full line of policies under the new California minimum benefits law, according to J. M. Andrews, head of the policies and analysis division of the California department.

## A Dependable Market for Difficult Lines

As agents of Underwriters at Lloyd's, London, we are enabled to furnish immediate binders, and our daily cable service expedites the placing of many unusual risks, such as the following:

Abstractors Liability  
Accident and Sickness  
Accountants Liability  
Accounts Receivable  
Automobile Liability and Property  
Damage  
Aviation  
Boiler and Machinery  
Bonds  
Burglary  
Chattel Mortgage Non-Recording  
Collapse of Building  
Contractors Equipment  
Doctors Disability  
Errors and Omissions  
False Arrest  
Fidelity Bonds  
Film Producers Indemnity  
Fire and Extended Coverage  
(Excess or Surplus)  
Fire Legal Liability  
Fire, Theft and Collision  
Furriers Stock  
Hand Displacement  
Illinois Liquor Liability

Inland Marine  
Malpractice Liability  
Mortality—Livestock, Zoo Animals  
Motor Truck Cargo  
Non-Appearance  
Ocean Marine  
Oil Drilling Equipment  
Personal Property Floaters  
Professional Entertainers  
Public Liability and Property  
Damage  
Rain Insurance  
Reinsurance—Facultative, Treaty  
Replacement or Depreciation  
Retrospective Rating  
Riot, Civil Commotion, Vandalism  
River Craft  
Salesman's Floater  
Suicide Waiver Insurance  
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IMMEDIATE OPENING FOR A SALES MANAGER TO HEAD ACCIDENT, HEALTH AND HOSPITAL SALES DEPARTMENT. UNUSUAL OPPORTUNITY FOR THE RIGHT MAN. AGE 35-50. MUST HAVE BROAD, GENERAL ACCIDENT, HEALTH AND HOSPITAL SALES EXPERIENCE. WRITE FULLY OF EDUCATIONAL BACKGROUND, EXPERIENCE, REFERENCES, AGE AND PRESENT SALARY. ALL CORRESPONDENCE STRICTLY CONFIDENTIAL.

ADDRESS ROBT. W. NAUERT, PRESIDENT

GEORGE ROGERS CLARK MUTUAL CASUALTY COMPANY  
ROCKFORD, ILLINOIS

WASHINGTON—Jan. 1 has been set as the new deadline for receipt of all information requested of the insurance companies, voluntary health plans and other sources on the Senate health subcommittee's questionnaire sent out a number of weeks ago. The committee is studying voluntary health coverage.

The subcommittee's staff plans then to tabulate, correlate and summarize the data received and prepare a draft for consideration by the subcommittee, which is due to report to the Senate by Feb. 1.

## Seized Assn. Enjoins Downey

SAN DIEGO, CAL.—Superior Judge Burch has issued a temporary restraining order on petition of Jesse C. Fortune, manager of American Independent Medical & Hospital Assn., seized by Commissioner Downey, stopping him and other department officials from further proceeding with the seizure.

The petition asserted the association is not doing an insurance business; that its business does not require a certificate of authority from the commissioner; that the seizure was improper, unlawful, and that its business is not subject to regulation by the commissioner.

The commissioner, in his order of seizure, set forth that he has received many complaints and inquiries concern-

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## CHANGES

### Barracough, Shubert Win United Nat'l Promotions

Alfred S. Barracough has been appointed superintendent of the casualty claim department and Frank H. Shubert, superintendent of the fidelity-surety department of the National Fire group. Mr. Barracough after many years of previous experience went with United National Indemnity in 1946 and has been assistant superintendent of the casualty claim department since 1948. Mr. Shubert likewise joined United National in 1946 and has been assistant superintendent of the fidelity-surety department since 1948.

### Maryland Casualty Promotes Wellener at Pittsburgh

Paul L. Wellener, Jr., has been appointed assistant manager at Pittsburgh for Maryland Casualty. He has been casualty department manager there, and will continue in charge of all casualty operations.

Mr. Wellener started with Maryland in 1936 in the compensation and liability department. In 1945 he was transferred to Pittsburgh as casualty manager. He is a graduate of the University of Baltimore.

### Young to Home Office Post

American Mutual Liability has appointed Frank S. Young, resident vice-president and southern sales manager, to the newly created position at the home office of service manager on industrial lines. Mr. Young joined American Mutual in 1937 at New York. In 1941 he was made division underwriter, becoming manager in 1943. Later he became underwriting manager at Atlanta, and in 1947 he was named resident vice-president of the southern division.

### Yeakel to Fire Association

Paul H. Yeakel has been appointed special agent by Fire Association and Reliance in the casualty division in New York state outside of the metropolitan area.

A graduate of the commerce school of University of Pennsylvania in 1930, he started with Armstrong Cork Co. He entered insurance in 1937 in the training school of Employers Liability and has acted as field man for that company and others in New York and Pennsylvania. He goes to Fire Association from American Casualty, where he was production manager. His headquarters will be at Syracuse.

### Forster Boston Manager

Ocean Accident and Columbia Casualty have named Thomas W. Forster resident manager at Boston. He has been with the companies since 1936 and served in the head office accounting and agency departments before entering field work. He served as special agent and resident manager at Newark and assistant manager at Chicago. He succeeds Bruce K. Snyder, appointed assistant secretary at the head office.

### Tormoehlen, Fahy Upped

Kenneth A. Tormoehlen, formerly special agent at Portland, Ore., for Maryland Casualty, has been placed in charge of the bond department in the Oregon branch office. He is succeeded by William J. Fahy, formerly with the company at Chicago.

### Dillard Adds to Titles

John H. Dillard, vice-president and southern manager at Atlanta of Fireman's Fund, has been elected vice-president of Fireman's Fund Indemnity as well.

## SURETY

### Woodmansee New Chicago President

J. J. Woodmansee, Century Indemnity, was installed as president of Surety Underwriters Assn. of Chicago at the annual election and party Tuesday night. He succeeds E. J. Moroney, U.S. & G.

Robert S. Goldkamp, Massachusetts Bonding, is the new vice-president; John Phelan, Maryland Casualty, is secretary, and Thorleif Narup, W. A. Alexander & Co., is treasurer.

Named to the executive committee were Mr. Moroney; P. J. Lynch, Standard Accident; A. L. Valentine, Baur, Christensen & Valentine, the retiring secretary; L. LeMessurier, Employers Liability; W. A. Bowersox, Fidelity & Deposit; Charles H. Phillips, Hartford Accident, and J. W. Thorne, National Surety.

There were about 65 on hand for the festivities, which began with a cocktail party. The election was the only

business conducted; when the secretary, Mr. Valentine, started to read a letter concerning Illinois county treasurer's bonds, it was decided he was out of order, and the members returned to the more relaxing aspect of the party.

### \$100,000 Shortage in Miss.

MEMPHIS, TENN.—The FBI office here has announced a \$100,000 shortage in the accounts of Terrell C. O'Neal, assistant cashier of Merchants & Planters Bank, Drew, Miss. It was discovered during a routine check by examiners for FDIC. O'Neal admitted taking the money over a period of 11 years and no recovery appears likely.

### N. Y. Election in December

Officers of Surety Managers Assn. of New York City will be elected at the December meeting. Chairman of the nominating committee is Thomas L. Hall, Employers group.

A resolution was adopted in memory of Howell Fornoff, a former member of the association, who died recently.

### Phila. Surety Men Elect

Henry S. Gegler, Employers Liability,

has been elected president of Surety Underwriters Assn. of Philadelphia.

Vice-president is Frank L. Madden, Standard Accident; secretary, Robert J. Carr, Century Indemnity, and treasurer, Robert T. Rouse, Fidelity & Casualty.

### Legislation N. J. Topic

A luncheon-meeting of Casualty Underwriters Assn. of New Jersey will be held at Newark, Dec. 11. Particular attention will be paid to measures that may be introduced in the legislature which may affect the business.

### Am. Re. Pays 20c Extra

American Reinsurance in addition to the regular quarterly dividend of 30 cents, has declared an extra of 20 cents both being payable Dec. 15 to stock of record Dec. 5.

The affiliated American Reserve has declared a dividend of 50 cents.

The Christmas party of Casualty Adjusters Assn. of Chicago is to be held Dec. 14 at the Morrison hotel. Paul E. Schuwer of American Motorists is chairman.



ONE OF 142 Quality Checks

The quality of any safety glass is directly dependent on the plastic laminate in it. So, in our Check No. 63, we see to it that the temperature and humidity are exactly right when the freshly-dried plastic laminate goes to the cutting room.

This is only one of our 142 Quality Checks and Controls, all of which are equally important to you and your policyholders because they give L-O-F Safety Glass:

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That's why L-O-F Hi-Test is the best Safety Plate Glass you can get anywhere. Libbey-Owens-Ford Glass Company, 9115B Nicholas Building, Toledo 3, Ohio.

#### BE SURE YOU GET WHAT YOU PAY FOR



There are two grades of Safety Glass—one made of polished plate glass, the other of sheet or ordinary window glass. Claim agents who are on their toes when honoring broken glass claims, always specify Safety Plate Glass and look for the L-O-F identifying stencil on each light supplied. That assures the policyholder and your company of getting full value.

NO FINEST GLASS THAN  
LIBBEY-OWENS-FORD



## TREND IN AUTO LINE DISQUIETING

(CONTINUED FROM PAGE 15)

the auto collision and P.D. experience so disastrous just at the end of the war and it was the elimination of that bottleneck that almost over night turned those lines very definitely into the profit column.

Then again, the warfare economy this time may not have some of the ameliorating effects that were found in the last war when automobile travel was so greatly restricted. Unless the use of gasoline is curbed, there is likely to be no decrease whatsoever and perhaps even an increase in the amount of driving and the congestion that is becoming so appalling on the streets and highways. The present regulations on the extension of credit may actually have the result of increasing the use of the automobile. That is, the regulations may deter people from buying homes, buying new cars, expensive household appliances, etc., but that will leave them even larger margins for riding around in their automobiles and patronizing taverns.

### Experience Is Various

The experience varies from company to company and it is difficult to find a common denominator just at this point. For instance, one large representative multiple line stock company finds that its loss ratio is up 10 percentage points for the nine months. Many of the companies felt the impact of the increased losses only recently, but this particular company states that it has been conscious of the upward trend for this entire year.

Another very large writer, an independent company, states that its loss ratio is only 2½ points higher this year and that is accounted for entirely by the rate reductions. Still another company thinks its record is up only one or two points.

Territorially there seem to be some fluctuations. For instance, some companies are unhappy about their experience on the west coast and in New York the record is highly unfavorable, but then there are other sections of the country that are not perceptibly worse and are not giving much of a problem. The underwriters are friendly to the south just now.

One of the largest and most competitive automobile writers is taking a very gloomy view of things and expects the 1951 trail to be "awfully rugged."

### Put Damper on Competition

The current trend and the widespread misgivings as to the future are likely to put a damper on competition relating to policy coverage as well as to halting the intensification of rate competition. There was quite a wave of

activity on the part of some of the independent companies in the direction of providing liberalized points of coverage, but some of these companies are admittedly licking their wounds right now and it is doubtful that they are thinking of new kinds of losses to cover for the same old premium.

There has developed quite a bitter feeling, as a matter of fact, in the camp of the independents arising out of some of the post-war competition. Some of the independent companies are even more conservative than the bureau institutions when it comes to rate reductions based upon interim indications. Some of the independents are scarcely on speaking terms with each other on this account. Also the coverage war that developed was distasteful to several of the independent companies. There are still a lot of sad memories of the losses that were suffered in the immediate post-war period and there are hard feelings in some quarters towards those, that the critics feel, were eager beavers in the rate reduction realm.

Due to the statistical plan of basing rate levels on the latest available two full policy years experience there is something of a lag between rate levels and experience. The 1949 experience was not as good as 1948 and 1950 will be worse than 1949, but 1951 rates will be governed by the statistics of 1948 and 1947. This is not as realistic as the companies would like to have it especially when the cycle is adverse.

One conservative observer states that the average loss cost has not gone down and that, he said, means that there has been a slight increase and that stabilization can't be counted on. He thinks the increase is higher for B. I. than for P. D.

In reply to an inquiry on the automobile experience trend a well posted executive of an independent company writes:

"With respect to the more and more unfriendly nature of the automobile insurance experience, I don't know if the obvious trend which is developing should be described—at this time—as dark clouds or as not quite such blue skies. Both 1948 and 1949 were quite gratifying, you know."

"Frankly, I'm not too sure any diagnosis I could make from where I sit right now would be sufficiently conclusive to be completely satisfying, but I am a bit hazy when it comes to attributing proper weight to such influencing factors as:

"1. Has the fact that motor vehicle registration increased 80% while population increased only 22% since 1930 actually increased accident frequency



Northwestern Mutual Fire of Seattle is constructing a building at Los Angeles to house its southern California operations. It will be on Westmoreland street, one-half block off Wilshire boulevard and will be of the most modern design. The new southern California headquarters will be ready for occupancy next April.

per car-year exposure. I'm inclined to think not.

"2. Does the crowding of 48 million motor vehicles on streets and highways designed to accommodate half that number result more in traffic delays than in traffic accidents? Cars inching along in congested traffic, as prevails in your Loop area, don't necessarily increase injuries and deaths. Why does it cost 5.6c to operate a Chevrolet in congested areas and only 3.3c a mile on expressways? Is it largely idling motors?

"3. Is it really true that the greater number of over-aged cars really add to the accident frequency and severity—or is it possible that only when an older car is driven by a younger driver that increased accident frequency and severity result?

### Highway Death Rate

"4. I believe that the highway death rate per 100 million miles driven reached a new all-time low last year. To what extent was that attributable to:

"A. Putting the spotlight of publicity on young drivers who have approximately double their proportionate share of accident frequency and severity?

"B. Making it difficult for car owners under 21 years of age to get car insurance?

"C. Upping the rates on family and business cars driven by drivers under 21 years of age?

"D. The effect of safety responsibility legislation which was designed for the dual purpose of supplying financial responsibility and to promote greater highway safety?

"E. An inevitable settling down following the 1946 and 1947 unrest and reorientation of the boys coming home from the armed services?

"Back in 1946 and 1947, when we were bleeding through the nose and our

surplus was melting, we upped our rates to what we then knew was a safe level, and told our field force, your company's financial welfare will now be influenced more by inflationary and deflationary factors than by any other apparent factor.

"You know, of course, that the industry won't know for sure until we get earned-to-incurred figures. When we do, we will only be verifying what we previously knew but couldn't support with statistical data while it was happening.

### Trend Is Source of Worry

"I don't think there is anything more than a trend to worry about at this time. My guess is that all loss reserves are adequate to absorb the impact of worsening conditions until relief comes via rate adjustments if the need for more income becomes apparent. We certainly don't have the erstwhile capacity problem, and the industry is probably in the healthiest condition it has ever experienced.

"The trend, however, is obvious. Currently, our motor vehicle claims frequency is running 15% to 20% above the corresponding period of a year ago, with the sharpest increase centered in the bodily injury liability coverage.

"The trend, of course, should cause any company to give pause if they are contemplating a car insurance rate reduction. Ironically enough, we have had as work-in-progress certain changes which are tantamount to rate reductions."

### Nat'l Surety Has Western Production Meet at Chicago

Vice-president E. A. Luther in charge of the western department of National Surety held a meeting at Chicago of western department managers and field men to discuss the 1951 production program. Sherman Drake, vice-president in charge of the agency department, collaborated with Mr. Luther in arranging the meeting. Stress was placed upon surety, burglary, fidelity, marine and general liability lines, the development of which is peculiarly suited to agency companies.

Western department managers in attendance were William A. Gray, St. Louis; Robert S. Schmitt, Indianapolis; Frank Madden, Milwaukee; H. L. Dalton, Des Moines; and J. W. Thorne, Jr., Chicago. Included in the home office group were N. P. Gardner, Jr., surety manager, and George Henke and C. O. Hoehn, assistant agency managers. President Ellis H. Carson, who also was in Chicago, addressed the group.

### Pay Premium With Rent

With the enrollment of 252 residents of Bell Park Gardens, veterans cooperative housing project in Queens, L. I., Associated Hospital Service, New York's Blue Cross plan, has established a precedent by arranging for subscription fees to be paid along with the rent.

## HOW GOOD CAN AN AUTOMOBILE POLICY GET?

### ANCHOR OFFERS THE BROADEST TYPE OF PROTECTION AVAILABLE

#### TO HELP BUILD YOUR SALES VOLUME



#### A POWERFUL SELLING TOOL!

Cumulative collision means a full coverage contract once the deductible is used up in one or more accidents.



#### SURE RELIEF FROM SALES COMPETITION!

Utility, home, office, store, display or passenger trailers are all fully covered under bodily injury and property damage.



#### COMPARE THE DIFFERENCE!

Drive-Other-Car coverage includes just about every provision currently excluded in standard policies.



#### SELL THIS ANCHOR INNOVATION!

BI and PD liability coverages are no longer limited to "caused by accident" but apply to any occurrence.

...and a host of other protective features as well!

THE NEW COMPREHENSIVE

**ANCHOR**

CASUALTY COMPANY  
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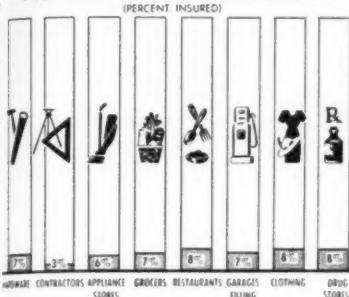


## Hartford Accident Graphs Show Fields Which Need Aggressive Sales Activity

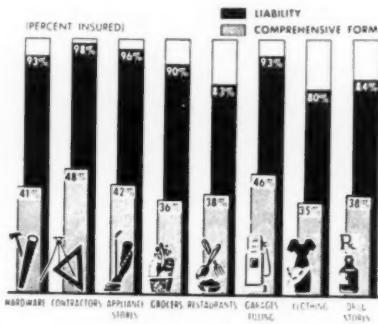
According to a recent Hartford Accident survey, through which information on the insurance of 21,487 business es-

a variety of other common trade groups the showing is moderately good, but

### MONEY & SECURITIES—BROAD FORM

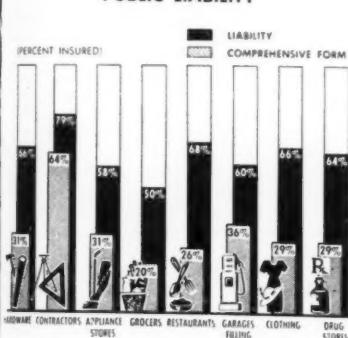


### AUTOMOBILE LIABILITY



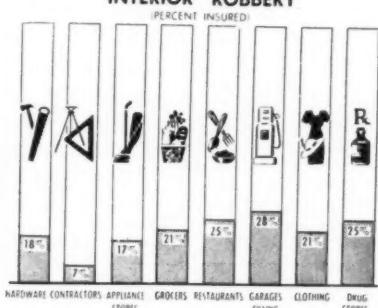
Establishments was secured, garage and filling station operators, along with

### PUBLIC LIABILITY



there are still extensive markets for further development, particularly in burglary and fidelity lines.

### INTERIOR ROBBERY

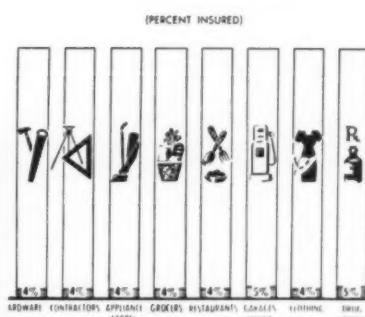


Retail stores in various lines—hardware, electrical appliances, groceries,

druggists, rate high in the possession of well-rounded insurance programs. In

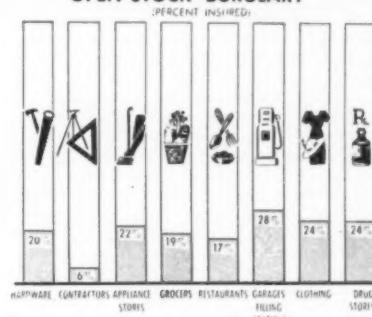
clothing and drugs—constituted the bulk of the enterprises covered in the survey. Other well-represented fields

### COMPREHENSIVE DISHONESTY, DISAPPEARANCE AND DESTRUCTION



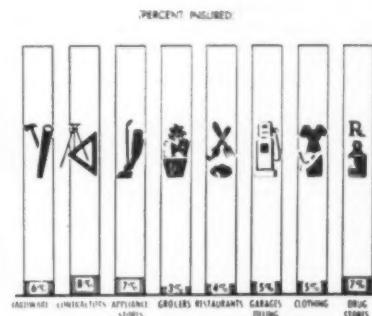
Clearly evident is the fact that throughout all trade groups automobile insurance requirements are relatively well-provided for, and to a goodly de-

### OPEN STOCK BURGLARY



gree through the broad form comprehensive type of protection. In the general liability field a surprisingly large

### FIDELITY BOND



has made a detailed analysis of coverage carried in these classifications as representative of the general business pattern to be found in most communities. Accompanying charts show the results.

unsold market for coverage remains available among retailers, particularly grocers. With the large volume of traffic that passes through a successful

(CONTINUED ON PAGE 23)



The New  
Allstate Insurance Company Building  
Home Office • Chicago

**ALLSTATE**  
**Insurance Company**

**Specialists**  
**in Automobile Insurance**



## Expect Eastern Storm Losses to Reach Monumental Total

(CONTINUED FROM PAGE 1)

owned by a tenant placed on top of an apartment building the extended coverage loss runs with the basic coverage on the household furnishings while that of an owner of a building would go to the insurer of the structure. The agreement was designed to afford coverage wherever there was E.C.

This was the first major storm with widespread television and antenna losses. Some sets being financed by banks are, almost without exception, fully insured separately against fire, theft and wind. These owners will be protected.

Few persons carry the basic fire insurance on trees and shrubs and consequently the extended coverage would not apply. However, the extended coverage policy on a home would cover in cases where trees were blown down and fell upon them. A lot of dwelling damage was done, especially in New Jersey, in this manner.

Policies also provide for removal of the trees from the insured property on which they have fallen.

### Food Spoilage Losses

Many food spoilage losses may not be covered under the consequential damage feature of extended coverage because the refrigeration unit's power was cut off outside the premises. This same question has arisen with respect to the guarantees issued by deep freeze manufacturers to their clients.

As early as 8 a.m. Monday morning, plate glass departments were being deluged with claims. One company had seven employees handling claims where two normally do the job.

Although the number of claims is rivaling that following the 1938 hurricane, total damage cannot be estimated yet. Early estimates placed the number of cornice, glass and chimney breakages at 2,000 in the New York area. Fallen signs numbered 1,000. By Tuesday, however, one company had almost 500 glass claims while another was not far behind.

Most losses involve mercantile risks with large display windows located on unprotected street corners. Smaller windows in homes and stores were not so hard hit but some claims have been trickling in.

Because the wind's force shattered many window frames, assured are avail-

ing themselves of the glass contract's \$75 allowance toward replacing broken frames. Replacements of smaller windows have been progressing satisfactorily. Larger windows are creating a problem because few glaziers maintain a ready supply of large panes on hand. Some companies report that sources of available glass in most areas are being overtaxed. One claim man stated that he has encountered not only a shortage but black marketing of glass.

### Allowance Made for Boarding Up

Where there is a delay in replacing glass, assured are allowed \$75 under the glass contract for boarding up. In cases where window frames have been destroyed, it is expected that replacement operations will be somewhat hampered because a carpenter is needed before new glass can be installed.

Although damage to the contents of store windows recently decorated for Christmas is expected to be high, many merchants had enough time to remove the merchandise before it was damaged. Rain during the high winds was sporadic and not torrential.

Substantial losses are expected under personal property floaters but P.P.F. claims are customarily slower to be presented than fire or extended coverage losses. They are usually bought by well-to-do-families and particularly in seashore homes all along the coast where wave damage would not be covered under fire and extended coverage personal property floaters will step in for their share of the losses. Many of these will be substantial because of the value of the furnishings, paintings, books, rugs and objects of art. North America several years ago brought out a wave damage policy but practically none was sold.

In some areas looting took place after families had evacuated their homes to escape from the storm.

A great shortage of carpenters and roofing repairmen has developed. Companies in that business estimated that it would take a month or more to complete repairs on residential buildings in the New York area alone.

Roofing claims are rivaling broken windows for first place in quantity in addition to the thousands of small claims on shingles and pieces of roofing. Some

buildings were completely unroofed.

Home, on Monday, placed ads in 40 papers in large cities in the heavy hit area bordered by Atlantic City, Harrisburg, Syracuse and Providence. Identical ads were placed in daily papers in the New York metropolitan area, New Jersey and Connecticut. They urged policyholders to report immediately all loss or damage to their agent or broker so that they could be given service and explained the need for extended coverage and comprehensive automobile.

Peter J. Berry, president of Security of New Haven, gave an early estimate, widely published, that the storm would exceed losses from the 1938 and 1944 hurricanes which caused \$400 million and \$110 million, respectively.

The \$50 deductible is mandatory in Rhode Island, Massachusetts and Connecticut but is optional in New York and Maine. The deductible is not applicable anywhere else in Eastern Underwriters Assn. territory.

The deductibles have been used for the last several years and will serve to reduce small claims but even the deductible will not have maximum effect because not all three and five year term business has been up for renewal since the deductible went into effect. There is still considerable business on the books even in the areas where the deductible is mandatory in which a deductible is not included.

Companies and producers set aside almost all other tasks to handle the storm problems. Agents and brokers were deluged with requests for service on claims. Company switchboards were clogged Monday and Tuesday with incoming calls to an extent which sometimes impaired getting directives out which would start claim procedures functioning.

Personnel normally engaged in other work were assigned to handle losses.

### Area of the Storm

About 89,000 of the claims estimated by G.A.B. were in New York, New Jersey, Massachusetts, and Pennsylvania. The remainder were in Connecticut, Maine, Maryland, Rhode Island, Vermont and New Hampshire. Delaware and the District of Columbia were not hit very hard.

The storm area was generally described as including a line running from Rochester to Harrisburg and all the area east and northeast.

Adjustment facilities are greater than in 1944 when manpower was in the service but the area of this storm extended far beyond the seacoast which took the brunt of the last storm. In some areas the 1950 wind was felt almost 300 miles from the coast. The 1938 hurricane did an estimated \$400 million damage with \$10 million insured in stock companies; the 1944 hurricane \$110 million with \$20 million insured loss.

### Insurance Can Take It

Even if the total loss to insurers runs \$400 million, which is regarded as fantastic, it would not affect the foundations of the business or any substantial part of it. That is only a part of the premiums taken in by the fire companies each year. Also, companies are well fortified with catastrophe covers on wind. They have been hit heavily in recent years and are as cautious as their size warrants. The average company, it is estimated, does not retain more and many of them retain much less than \$3 million aggregate on this risk. Many of the catastrophe covers are 90% of a certain amount, say \$1 million over \$500,000. Reinsurers like the ceding company to participate. Usually there is an hour limit, 48 hours being the common one, and the direct writer has the choice of electing the starting time. All of this storm could be gotten in 48 hours. There is not usually a territorial restriction on wind.

Not all catastrophe covers are written in London as they used to be. Many of them are now in this country with such reinsurance organizations as Excess Management and in North America and Fireman's Fund. Though the reinsurers will get hit, the direct writers will pay for it in higher rates in the ensuing years for the same covers. Just how many direct writers will exhaust their primary retention as a result of the present storm it is too early to say but many undoubtedly will.

### Nature of the Losses

The big loss came from wind damage to roofs, windows, trees blown into and onto buildings, etc. So far, though there are thousands of auto claims, these do not seem to be running as heavy as anticipated.

One office that writes a lot of business in metropolitan New York reported 125 claims by Tuesday much fewer than expected. Only about 5% were due to submersions, even though the area includes territories badly inundated by sea water. The remainder are due to wind—trees falling over fenders, hoods and tops, branches and flying missiles striking glass or car surfaces. Most cars apparently were driven to higher ground from seashore districts, even though the warning was not extensive. About 75 cars were inundated with sea water at La Guardia airport.

Interestingly enough normal physical damage losses fell off over the weekend. Many cars of course were garaged because of the storm.

New York Board committee was handling losses involving two or more companies and by Tuesday had received more than 2,000 with the final total expected to reach 5,000. Single insurer losses were being handled by companies through their own G.A.B. channels.

### Consequential Damage

Controversy has been stirred by widespread claims for consequential damage resulting from power failure. Family and hotel deep freeze units were cut off for many hours when the power failed in many cities. Health departments were condemning food in restaurants. Claims are coming in for recovery. Normally the consequential damage is not insured unless coverage has been specially purchased. Very few bought it. Some experienced buyers such as packing houses and large dairy and food packing firms carried protection. Because many families have gone in for deep freeze units in recent years, this may present a thorny adjustment problem.

Another adjustment issue is the removal of fallen trees from the premises once they have been lifted from the house or other structure. The policy only requires the insurer to get the tree off the building. In cities where fallen trees uprooted sidewalks, residents are arguing with local governments and insurers as to who should restore them.

Another point of contention between claimants and companies and adjusters apparently was going to be the distinction between carrying extended coverage on the structure itself and on the furnishings or contents. For example, where wind destroyed a window and wind-blown rain poured in and damaged furnishings there would be no indemnification unless the extended coverage had been written on the contents also.

Yacht losses are bad but probably not nearly so bad as after the 1938 hurricane when a great many more boats were in the water because it was so much earlier in the season. However, marine companies are getting substantial claims for water damage to coffee, hides and various kinds of foodstuffs stored in the warehouses along waterfronts of Manhattan, Brooklyn and Jersey. Some of these cargoes run as high as \$100,000 or \$200,000. Underwriters hope that only bottom layers are damaged. City authorities already have embargoed more than 5 million pounds

November

of food and canned pounds, etc.

Associated U. S. Avi officials c pending re adjusters, received on Newark, La Guardia, L. I., field damage to

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## a Consistent Policy

**A**n insurance company's service to agents can take no more useful form than writing their business, year in and year out. Some companies oscillate between extreme underwriting liberality and ultra-conservatism. In better times they seek new business aggressively; when profit margins dwindle, they restrict writings severely. Study the record of company writings in poor years as well as good ones, and note how the New Amsterdam has avoided drastic changes in policy.

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of food and are even looking askance at canned goods. Much of the 5 million pounds, of course, has moved out of the channels of marine cover. Associated Aviation Underwriters and U. S. Aviation Insurance group claims officials crossed their fingers and said pending receipt of detailed reports from adjusters, that they had gotten off without serious loss. Claims had been received on planes based at airports at Newark, Linden and Teterboro, N. J., La Guardia airport and Massapequa, L. I., field. Wind had done minor damage to some small planes. An early Associated Aviation loss estimate was \$50,000. Salt water at La Guardia had ruined the landing gear and brakes of some planes but not all had the comprehensive coverage which would pay these losses. There was still the possibility, U.S.A.I.G. said, that aviation losses, when fully reported, would be serious.

The unexpected cold throughout the south resulted in dozens of home fires from defective chimneys and overheated stoves.

#### Middlebury College Loss

Damage to Middlebury College in Vermont was estimated at \$100,000 when the roof of the new field house and part of the steeple of Mead Chapel were blown off.

The roof of the Mittersill Hotel, million dollar ski resort at Cannon Mountain, N. H., was lifted 100 feet over the tree tops, one piece of it landing on a large truck, crushing it.

Billboards were blown down and store and hotel awnings ripped to shreds.

Radio transmitter towers in several states were toppled as were numerous barns, and stable structures at many amusement parks. Open air theater display walls were smashed.

A loss of \$250,000 was expected at Concord, N. H., where drugs and blood plasma were destroyed when winds swept away the roof of the A. Perley Finch Co. wholesale drugs dealer.

One side of the Ogunquit, Me., playhouse was blown in and roof ripped off for an estimated loss of \$12,000. Six barns were wrecked at the Rockingham Park horse track at Salem, N. H. The loss was put at \$50,000.

At Newark, the mayor estimated that one-third of the downtown store fronts were blown in. Almost 300 tons of glass were swept from the city streets on Monday.

The entire coast line was severely pounded by the wind with waves doing damage from New Jersey up to Rhode Island. The steamship pier and boardwalk at the Rye beach, N. Y., playland, was smashed, and the Glen Island casino at New Rochelle had its doors blown in and the interior water soaked.

#### Additional Loss Possibilities

Several additional loss possibilities present themselves to the company men. In those towns where the storm was so severe as to virtually shut down all activity, there is the possibility of big sprinkler leakage losses, especially in buildings where heat has had to be discontinued and frozen water can burst the pipes.

A sizable fire in Cleveland, Columbus, Pittsburgh, or any town that has had its transportation discontinued, could develop into a catastrophe, since the fire department would be unable to get its trucks to the scene.

As a possible point of reference in determining what the insurance loss will turn out to be in the eastern storm, one representative insurance group on Tuesday estimated that its losses would be about \$1 million. This same group had losses of \$700,000 in the May 5-6 storm in the middlewest, and the total losses there it is estimated will aggregate about \$15 million.

#### MOBILIZING THE ADJUSTERS

General Adjustment Bureau has called all of its eastern department men that had been dispatched to Florida on loan, back for more urgent duty in the new storm area. Also a number of the

men from the southwest department of G.A.B. were transferred from Florida to the east. Being uprooted at this pre-holiday season of the year is going to be quite a personal sacrifice for a lot of adjusters from other parts of the country that are wanted in the east, but according to all indications, the adjusting manpower of the country will be mobilized and concentrated at the

#### COLUMBUS NOT INVOLVED

COLUMBUS—With the exception of several small fires in dwellings there

have been no fire losses here as a result of the storm. No damage of any consequence has been reported as a result of high winds. The economic loss will be heavy as stores and factories have been compelled to close and many persons have been idle. Removing the 13 inches of snow will be costly.

#### SITUATION AT PITTSBURGH

PITTSBURGH—Indications are that there were no unusual insurance losses attributable to the new storm in the Pittsburgh district.

#### CLEVELAND LOSS SMALL

CLEVELAND—The storm damage here is mostly snow. Insured property loss is limited to small windstorm claims. A serious fire involving mercantile risks at 222nd Lake Shore boulevard Monday night is estimated at \$200,000.

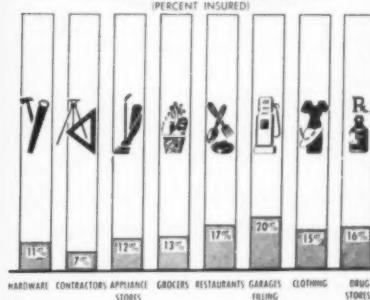
#### Hartford Accident Graphs Show Fields for Sales

(CONTINUED FROM PAGE 21)

store, and the resulting high exposure to accidents and damage claims, it is difficult to understand why more than one-third of retail merchants are neglecting to insure against this risk. The condition presents a real challenge to producers.

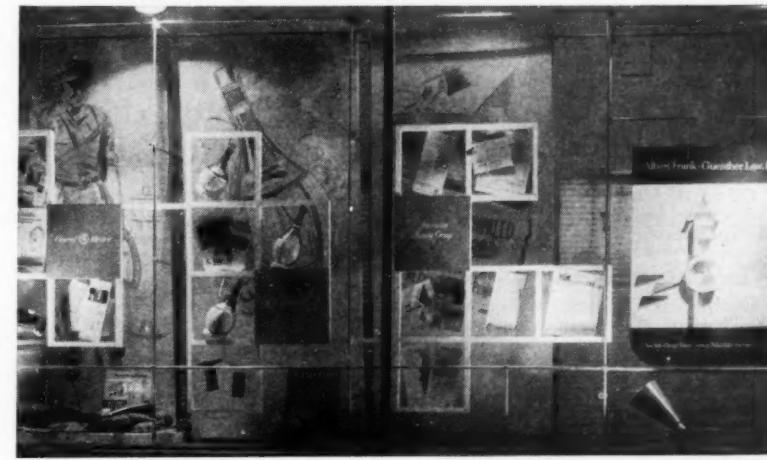
Another tremendous market opportunity exists throughout the entire range of crime and dishonesty insurance. Fi-

#### MESSENGER ROBBERY



delity bond protection is non-existent in 95% of the apparent market, although this figure probably would be scaled down some if small owner-operated establishments were eliminated. Where other classes of crime coverage are concerned, however, it appears that from 75% to 80% of the concerns surveyed are wide open to loss through holdup or burglary, another situation that cries out for aggressive sales activity.

## "Ad" Agency Displays Clients' Services



American Surety group advertising and sales promotion work is being featured in a unique window display sponsored by its advertising agency, Albert Frank-Guenther Law, in the agency's building at New York. The 18-foot display window was conceived as an additional agency service which could feature the advertising, products and services of its clients. Each display is composed of three clients and runs for a period of several weeks.

The American Surety display shows consumer and trade advertisements from the current series "Behind the Scenes with Your Insurance Company" which is based on case histories taken from the group's files. This campaign illustrates the every-day but little known free services which insurance companies and their agents render the public.

In addition, the display shows specimens of agent direct-mail material and other promotion work, including the agents' monthly letter "Mailroad to Profits." Several copies of the "Bulletin," the group's house organ are included. Large charcoal renderings of illustrations from the group's advertisements form the backdrop.



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*Celina, Ohio*

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Allied Lines

Selling Tools for any  
Selling Task  
GENERAL LIABILITY  
GLASS  
BURGLARY AND ROBBERY

# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Wis. Rating Bureau Gives New Rates

MILWAUKEE—Fire Insurance Rating Bureau of Wisconsin has mailed to companies and recorded agents General Bulletin No. 5 on the fire insurance rate reduction ordered by Commissioner Lange Oct. 18 and retroactive to Sept. 1. The reduction cuts premiums on brick dwellings in 15 cities by 15%; frame dwellings by 10%, and cottage and resort properties by 25%. The reduction, based on 1949 premiums, will total \$1,036,000. The original order was issued last summer but was appealed by the companies. Mr. Lange held additional hearings and made some slight changes in the order, which did not affect the total to any extent. The companies then took the matter to circuit court for appeal, as provided in the statutes, but later called off the court fight when they gained official recognition of certain vital matters of principle and the final order was issued Oct. 18.

The rating bureau bulletin contains the new dwelling schedule which now reads: (a) New basis table form A-1 for cities and towns with fire protection grading classes I to IV inclusive; (b) New basis table form C, class IX; (c) New basis table form D, class X.

The new rates are now in effect on policies being issued, but refunds must be made to policyholders who paid the old, higher rates since Sept. 1.

### Minn. Field Men Address Regional Agents' Groups

MINNEAPOLIS—The public relations committee of Minnesota Fire Underwriters Assn. has been busy on speaking assignments. Joseph R. Brink, president of T. G. Linnell & Co., spoke on developing inland marine business at a meeting of West Central Agents Regional Assn. at Benson.

Pointing out that inland marine is a \$3½ million business a year in Minnesota, Mr. Brink said every individual and business is a prospect for floaters. He stressed the wide field and salability of farm machinery livestock forms in connection with a farm insurance program.

Russell Thompson, Springfield Fire & Marine, talked on time element coverages before Southern Minnesota Agents Regional Assn. and Bernard G. Grissman, Fireman's Fund Indemnity, spoke to the Range association on "Auto Liability and Workmen's Compensation."

The film, "Approved by the Underwriters," was shown to the Breakfast Club of St. Paul with Roy W. Carlstrom of Glens Falls as introductory speaker.

### Leonard Kenosha President

KENOSHA, WIS.—Newly elected officers of the Kenosha Assn. of Insurance Agents are Sidney Leonard, president; Arthur Harrington, vice-president; John L. Hogan, reelected secretary. George A. Timm, state president, is a member of the executive board. In recognition of President Timm, the Kenosha Board now has on display in a downtown retail store the Sparlin trophy won by Wisconsin at the N.A.I.A. convention.

### 1752 Clinic at St. Louis

A clinic consisting of two panel discussions was held at St. Louis by 1752 Club of Missouri. About 80 agents and company men attended.

The morning panel discussed the re-

porting form 132. Participants were F. A. Greenwood, assistant secretary Lumbermen's of Mansfield; John L. Gard, St. Louis manager of United Adjustment Co., and W. C. Anderson, manager Missouri Inspection Bureau.

The afternoon session was handled by F. E. Baker, Employers Mutual Casualty, Kansas City; Melvin Flowers, Casualty Reciprocal Exchange, Kansas City; James Riorden, Michigan Mutual Liability, St. Louis, and J. L. Harlan, St. Louis attorney. The subject was O. L. & T. coverage.

Other clinics to be held are: Dec. 6, Columbia; Dec. 12, Springfield; Dec. 14, Sedalia.

### Wis. Chairmen Appointed

George A. Timm, Kenosha, new president of Wisconsin Assn. of Insurance Agents, has appointed committee and district chairmen.

District chairmen are R. A. Laub, Milwaukee; Neil Henderson, White-water; Herbert Ainsworth, Monroe; L. V. Weisensel, La Crosse; E. W. Eberhardt, West Bend; R. E. Clarenbach, Sheboygan; Douglas Bell, Green Bay; Ralph Voight, Merrill; W. O. Dorsey, Chippewa Falls, and Paul E. Holden, Superior.

Committee chairmen are Rell Barrett, Racine, finance; Miles Thompson, Lancaster, membership; Arthur Setz, Waterloo, legislation; Robert G. Petri, Fond du Lac, publicity-education; John DeHartog, Waupun, accident prevention, and H. A. Solander, Wausau, fire prevention.

The Sparlin cup, awarded the association by N.A.I.A. at the national convention for rendering the most outstanding service to the American agency system the past year, is being displayed in local board cities.

## SOUTH

### Oklahoma Mutual Agents Elect James Steele President

James Steele of Duncan was elected president of Oklahoma Assn. of Mutual Insurance Agents at the annual meeting at Oklahoma City. H. V. Brittain of Oklahoma City is vice-president and A. A. McLennen, Oklahoma City, secretary.

Speakers included Commissioner Dickey of Oklahoma, on "Insurance Needed in Oklahoma"; Ed Hook, "Advantages of Miscellaneous Lines to the Agent"; Oran Needham, Fort Worth, vice-president Millers Mutual Fire, "Agency Accounting"; Frank Streetman, mayor of Sasakwa; Clive Bishop, agency adviser and director of public relations of Lumbermen's Mutual Casualty, and Donald Heath, vice-president Northwestern Mutual Fire, Chicago, "The Broad Form Automobile Policy."

### Carlson Tours Southwest

O. Roy Carlson, assistant secretary of American and Bankers Indemnity, has returned to Newark after visiting Louisiana and Texas agencies.

### Manning & Sons Specials

T. A. Manning & Sons of Dallas have appointed W. E. Brown special agent for west Texas with headquarters at San Angelo, and Joe S. Horne special agent for the northern part of west Texas with headquarters at Lubbock.

Mr. Brown joined Manning & Sons in 1945, immediately after his discharge from the army, and has served in the accounting and underwriting departments. Mr. Horne was formerly an in-

dependent adjuster, and more recently has been with Trezevant & Cochran as adjuster and special agent.

### G. A. B. Secretaries Confer

DALLAS—Secretaries and clerical consultants from the 64 branch offices of General Adjustment Bureau in the four southwestern states held a three-day conference here with departmental officers and key personnel, under the general direction of James F. Mazzia, general manager.

The conference, said to be the first of its kind ever held by a department of the bureau, was for the double purpose of standardizing and expediting routine work in claim handling and of integrating the details of office operations with the broad administrative program outlined at two regional meetings of the branch managers.

Ashland, Ky., is seeking a 4th class rating. This would mean a reduction of about 30% on most brick buildings and 20% on frame mercantiles. The city has not been rerated since 1928.

The Clyde Thompson agency at Mankato, Okla., has been sold to J. D. Gray.

Insurance Women of Austin, Tex., observed founder's day with a dinner party. About 40 members and guests attended.

Insurance Women of San Antonio heard L. C. Beery, local agent, speak on public relations in insurance.

## COAST

### Brady Royal-Liverpool Coast Claims Manager

Royal-Liverpool has appointed James F. Brady loss and claims manager of the Pacific department with headquarters at San Francisco.

Mr. Brady, who is an attorney, started with Royal-Liverpool in 1926 as a member of the claim staff at St. Louis and since 1937 has been claim manager of Globe Indemnity for New England.

S. H. Buchholz and D. E. Geeting will each continue as assistant managers of the department.

### Plan Arbitration Committee for Subrogation Claims

Claim Adjusters Assn. of Utah has approved appointment of an arbitration committee from the group to act on subrogation fire claims for insurance companies which agree to subscribe to the rulings of such committee.

President Leon Foutz, Intermountain Adjusters Co., says the casualty adjusters have had such a committee functioning in Utah for about a year, which has proved successful and has saved casualty companies considerable money.

There will be nothing mandatory on any company to submit cases to the arbitration committee, which will be appointed by Jan. 1. However, companies that request the services of this committee will be expected to agree to be bound by its rulings.

### Utah Deviation Hearing Set

Commissioner Terry of Utah will hold a public hearing Dec. 19 on a deviation request made by National Farmers Union Property & Casualty Co. The rural and small town insurance agents of Utah are taking much interest in this hearing.

This company, which has never written fire insurance on dwellings, requested permission to write farm dwellings in Utah at a 40% reduction, with a 25% reduction from bureau rates on extended coverage. J. Edwin Stein, Provo, president of Utah Assn. of In-

surance agents, as spokesman for 50 rural agents, proposed that the question be threshed out in a hearing. Harold S. Morr, manager Utah Fire Rating Bureau, to which Farmers Union subscribed, also asked that a hearing be held on the deviation request.

### San Francisco Seeks National Board Rerating

Mayor Robinson of San Francisco has requested a reclassification of the city by National Board.

It now has a third class rating, based on a survey made in 1947-48. The mayor told R. C. Stange, assistant general manager of the board at San Francisco, that recent improvements indicate that the city should be in second class. That would mean a saving to policyholders of approximately \$1½ million a year.

Mr. Stange said the board would be glad to cooperate but that a survey of the city would have to be delayed for some time, as the engineers of the San Francisco office are now making a survey of Oakland and following this Berkeley is slated for a new survey.

### Callister Legislative Chief

Ralph D. Callister, chairman Far West Agents Conference and state national director of Utah Assn. of Insurance Agents, has been appointed chairman of its legislative committee. He was a member of the Utah house in 1945-46.

Utah insurance men hope that a bill permitting fire districts to be set up in rural areas will be passed. A new financial responsibility law also is in the making. A concerted effort will be made to obtain more funds to operate the insurance department.

### Salt Lake Christmas Party

Salt Lake Assn. of Insurance Agents will hold its industry Christmas party Dec. 22. Joseph A. Ottenheimer, Transportation Insurance Agency, will again serve as chairman.

A friendship hour is scheduled for 1 p. m. A buffet lunch will be served and dancing will follow. About 300 from all levels of the industry are expected to attend.

### Wash. Legislative Front Quiet

As a result of the recent election the composition of the Washington legislature now is such that insurance people do not expect introduction of many bills inimical to the business.

Washington Assn. of Insurance Agents is seeking an anti-coercion bill and legislation to tighten agency licensing requirements. There is a possibility that some automobile legislation will be introduced, especially along the lines of a law permitting damage suits against survivors and estate of defendants in tort actions. A boiler inspection law also may be introduced.

Insurance people are greatly relieved that they will not be obliged to make a major effort to block unemployment compensation disability legislation. A general referendum on a UCD law in the Nov. 7 election was defeated by a three to one margin.

### Ia. Dept. Autonomy in Peril

DES MOINES—Some insurance observers in Iowa believe that the "little Hoover" committee may recommend merging the insurance department with the banking department or placing it under the tax commission. Its recommendations will be given to the legislature which convenes next January. Charles Fischer, former Iowa commissioner, is executive secretary of the committee.

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Pacific Department: 220 Bush Street, San Francisco 6, Calif.

Southwestern Department: 912 Commerce St., Dallas 2, Tex.

Foreign Departments: 102 Maiden Lane, New York 5, New York

206 Sansome St., San Francisco 4, Calif.

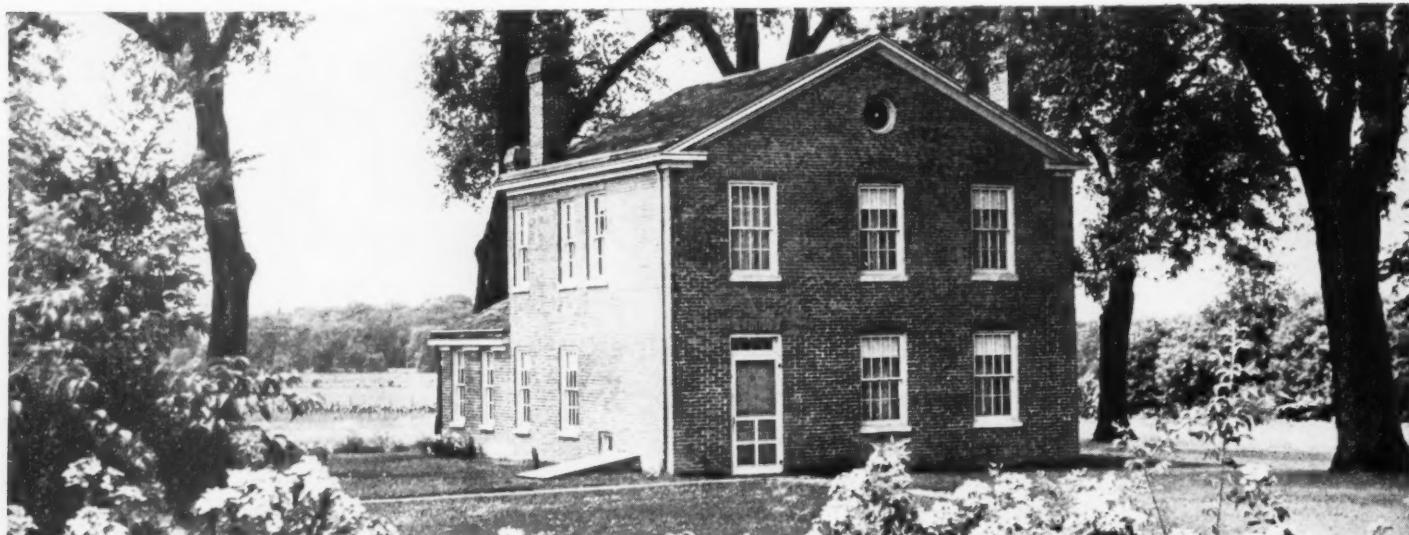
Canadian Departments: 465 Bay Street, Toronto 2, Ontario

535 Homer Street, Vancouver, B. C.

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**Loyalty Group**  
**INSURANCE**

# Plum Grove

Home of the First  
Territorial Governor of Iowa

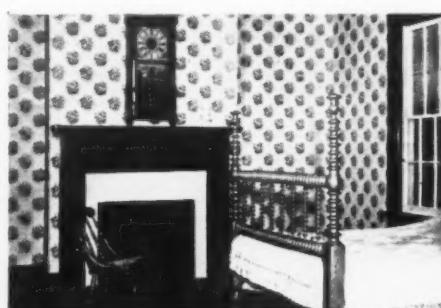


extensive military experience, serving in the War of 1812 and becoming major general in the militia and colonel in the U. S. Army.

Four years after the death of his first wife Lucas was returning on horseback from a session of the Ohio legislature when he spied a young woman approaching with a milk pail in either hand and jokingly remarked to his traveling companion that he would marry her if she leaped the fence which blocked her path. Instead of opening or letting down the bars, the young woman bounded over. That evening in the farmhouse where Lucas and his friend sought shelter they met the daughter of the household, Friendly Ashley Sumner, the young lady who had nimbly leaped the fence, and

who indeed later became his second wife.

Robert Lucas had a stormy term as governor of the Territory of Iowa for, besides the difficulties of administering a far from



Mantels above the seven fireplaces are black walnut

law-abiding region where gambling and intemperance were rampant, he was subjected to considerable sniping from political opponents. Nevertheless, he was a firm, upright administrator whose vigorous policies did much to establish order in the youthful territory. His most notable achievement was settling a boundary dispute with Missouri in Iowa's favor.

In 1844 Robert and Friendly

Lucas built a home on the outskirts of Iowa City which they named Plum Grove where he spent the rest of his life. Though retired from politics, he devoted his talents to furthering the temperance movement, developing the public school system and promoting railroads.

Appropriately, Plum Grove is now maintained as a state monument. In recent years it has been restored to its original condition by a number of interested Iowa citizens and through the efforts of the Society of Colonial Dames it has been furnished with articles of the proper period including some that graced the house in the time of Lucas.

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